Appendix 4D
For the Half Year Ended 31 December 2016

Current Reporting Period – Half Year Ended 31 December 2016

Previous Reporting Period – Half Year Ended 31 December 2015

This report is to be read in conjunction with the 30 June 2016 Annual Report and is given in compliance with Listing Rule 4.2A.

				31 Dec 2016		31 Dec 2015
Revenues	Up	41%	to	703,099	from	497,220
Loss after tax attributable to members	UP	45%	to	(3,409,349)	from	(2,354,743)
Net loss for the period attributable to members	UP	45%	to	(3,409,349)	from	(2,354,743)

Net Tangible Asset per Security (cents per security)	
As at 31 December 2016	3.363
As at 31 December 2015	2.540

Dividends (distribution)	Amount per Security	Franked Amount per Security
Current period	n/a	n/a
Previous corresponding period	n/a	n/a

Record date for determining entitlements to dividend	n/a
Details of dividend reinvestment plans in operation	None
Details of entities over which control has been gained or lost during the period	None
Details of Associates and Joint Ventures	None

These accounts have been subject to review and there has been no qualification or dispute.

Explanation of the above information:

Refer to the Directors' Report - Review of Operations.

Approved Date: Tuesday, 28th February 2017

Appendix 4D
Interim Financial Report

For the Half Year Ended 31 December 2016

To be read in conjunction with the 30 June 2016 Annual Report.
In compliance with Listing Rule 4.2A

These financial statements have not been reviewed under US Public Company Accounting Oversight Board (PCAOB) audit standards

Contents

This Half Year Financial Report does not include all notes of the type normal included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and any public announcements made by Immuron Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Directors' Report

Your Directors present their report on Immuron Limited for the half year ended 31 December 2016.

Directors

The following persons were directors of Immuron Limited and its entity it controls during the whole of the half-year and up to the date of this report, unless otherwise stated:

Dr. Roger Aston	Non-Executive Chairman
Mr. Peter Anastasiou	Deputy Executive Vice Chairman
Mr. Stephen Anastasiou	Non-Executive Director
Mr. Daniel Pollock	Non-Executive Director

Key Highlights

- Completion of the NASH Phase II Trial Recruitment – 120 Patients Randomized
- New NIH Grant, Studies, and NASH LM&A Activity Further Validate Potential of the NASH Program
- Travelan and Protectyn Continue to Grow – 42% Growth in Global Net Sales
- Immuron Signs Significant Development and Collaboration Agreements with US Army and US Navy
- Immuron Preparing for IMM-529 Phase 1/2 Clinical Trials in Clostridium *difficile*
- Partnership Formed with Australian Research Institutes on Autism Studies
- Oversubscribed $6.32M Rights Issue & $1.6M FY2016 R&D Refund
- Immuron files F1 with the US Securities and Exchange Commission ahead of NASDAQ listing

Completion of the NASH Phase II Clinical Trial Recruitment – 120 Patients Randomized

Changes to the clinical trial protocol has allowed Immuron to significantly accelerate the recruitment of the NASH Phase II clinical trial. We were pleased to announce on 20th February that the NASH Phase II clinical trial has now been fully recruited with 120 patients successfully randomized.

The Company expects to have interim results in CY2Q 2017 and the top line results of the trial by the CY4Q2017.

New NIH Grant, Studies, and NASH LM&A Activity Further Validate Potential of the NASH Program

The potential of Immuron's non-alcoholic steatohepatitis (NASH) candidate, IMM-124E, was further highlighted by:

1. the success in securing another NIH grant for a Phase II study in Pediatric NAFLD/NASH patients,
2. the start of additional Mechanism of Action (MOA) studies of IMM-124E in NASH; and
3. the continued robustness of the NASH LM&A (Licensing Merger & Acquisition) market.

1. *Pediatric NAFLD/NASH Trial*

   In August 2016, the US National Institutes of Health (NIH), America's foremost medical research agency, awarded Atlanta's prestigious Emory University with a grant to conduct a Phase II clinical study of IMM-124E in pediatric NAFLD/NASH patients.

This is the second NIH grant supporting an Immuron IMM-124E study in fatty-liver disease, with the first study being the ongoing Phase II ASH (Alcoholic SteatoHepatitis) study conducted by the University of Virginia.

The Pediatric NAFLD/NASH grant was classified in the top one percent of all NIH grant requests in one of the most fiercely contested funding environments in the world. The awarding of this grant highlights the importance that the NIH is placing on the unmet needs of pediatric patients in NASH and on IMM-124E's Mechanism of Action (MOA) study, as well as the potential for another blockbuster indication for Immuron.

Pediatric NASH is believed to affect between three (3) to five (5) percent of the US pediatric population. A landmark autopsy study also showed that of 742 youths aged 15 to 19 who had died in accidents, 17.3 percent had NAFLD (non-alcoholic fatty liver disease).

With no approved treatments available, the pediatric NASH indication for IMM-124E is a $billion+ potential market opportunity for Immuron.

2. *New IMM-124E MOA NASH Studies*

In early 2017, we initiated MOA studies which are designed to add to the growing body of evidence supporting the unique multifactorial MOA of IMM-124E in NASH. These studies are being conducted in partnership with SanyalBio and Duke University in the United States.

We expect the results of these studies to be available by the end of CY2017, which will also coincide with the release of the top line results from the Company's Phase II NASH clinical trial. These studies will help support our business development efforts.

3. *LM&A NASH Market*

In October 2016, we saw the $US1.7 billion takeover proposal of Tobira Pharmaceuticals by Allergan. The acquisition was structured with a ~US$311M upfront payment, which was 3.5x Tobira's market cap at the time of the announcement. This is despite the fact that Tobira's Phase II did not reach its primary endpoint. The bid skyrocketed Tobira's market capitalization from US$89.2 million to US$725 million in a day.

On November 1, 2016, Allergan closed its acquisition of Tobira for US$538M which equate to a 500% premium over Tobira's market cap at the time of the announcement of the acquisition.

Travelan and Protectyn Sales Experience 42% Growth

Travelan Net Sales for the first 6 months of FY2017 increased by 40% compared to the same period last year. This performance was predominantly driven by a 157% increase in United States Sales, a 4% increase in Australian sales.

In the United States, the strong relationship we have developed with Passport Health Corporate is powering our sales growth. Our partnership with Passport Health Corporate meant that Travelan has been available at more than 80 clinics throughout the US and a successful promotional campaign during the August 2016 – December 2016 period resulted in several thousand packets of Travelan being sold to Passport Health customers. The key behind this success was the training of Passport Health's nurses who carried Travelan's differentiation message to their customers. This performance was particularly impressive given that this was the non-travel season.

Based on the success of this promotion, Passport Health Corporate and Immuron will again combine to run another promotional campaign for the March 2017 – August 2017 peak US travel period. Immuron will also seek to partner with several Passport Health independent clinics to drive our performance further.

Immuron also entered into an agreement with Medique Products, one of the largest distributors of medical supplies in the US, including OTCs, for workplace health. Medique targets occupational health nurses, industrial supply, occupational health doctors, corporate safety directors, correctional health, school health and sports medicine. Medique has over 40 years' experience distributing medical and OTCS through a network of more than 1,000 business partners across the US.

In June 2016, Magellan's added Travelan to it monthly US travel products catalogue and placed its first purchase order. With 1.5 million subscribers, mostly affluent international travelers, the profile of this distributor is ideal for Travelan. Magellan is also part of the Potpourri Group, one of North America's largest multi-brand, multi-channel retailers.

In Australia, the first 6 months of the 2017 financial year continued to maintain the increasing trend in sales growth we recorded last year. We have planned additional trade and promotional activities in the second half of this financial year to further accelerate our growth in Australia.

In Canada, Immuron is currently in negotiation with Paladin to terminate the current marketing and distribution agreement with a goal of taking back the regulatory, marketing and distribution rights for Canada and other territories, including Central and Latin America.

Immuron Preparing for IMM-529 Phase 1/2 Clinical Trials in Clostridium difficile

Following IMM-529's exciting results in pre-clinical studies, Immuron has been preparing for the start of the safety/efficacy clinical trials in humans. Immuron is currently finalizing the manufacturing of IMM-529's clinical supplies and has finalized a protocol for 60 patients that will be conducted at a major center. We estimate that the trial should commence in CY2Q2017, and will take approximately 12 months to recruit.

We are excited by the progress we are making and we look forward to continue pushing forward the development IMM-529 in Clostrium *difficile* infections (CDI), a blockbuster orphan indication that kills nearly 30,000 people each year in the US and is a growing problem around the world.

Immuron Signs Significant Development and Collaboration Agreements with US Army and US Navy

The US military has executed two research and development collaboration agreements with Immuron which further highlights the growing respect the US military has for Immuron's anti-infective platform.

The first agreement, signed in June 2016, is for the development of a *Shigella* vaccine with the Walter Reed Army Institute of Research (WRAIR). *Shigella* bacteria causes Shigellosis, or bacillary dysentery, affecting around 165 million people a year and causing a million deaths annually, mostly children in developing countries. Shigella currently has no approved vaccines.

Now in its 125th year, WRAIR is the oldest, largest, and most diverse military biomedical research institute in the US Department of Defense. This research program will explore the anti-*Shigella* activity of antibodies in Travelan, and look to create a *Shigella*-specific bovine immunoglobulin product using WRAIR antigens utilizing Immuron's oral immunotherapy platform.

The second agreement was executed in August 2016 with the US Navy's Navy Medical Research Center. This research program will test Travelan in cell lines of *Campylobacter* and *Enterotoxigenic Escherichia coli* (ETEC).

Campylobacter and ETEC are the bacteria behind most cases of traveler's diarrhea around the world. Conservative estimates claim ETEC alone causes approximately 157,000 deaths a year, mainly in children. No vaccines exist to counter either strain of bacteria. If we are successful, this could potentially open a new and lucrative opportunity for Immuron with resulting products produced to meet both military and civilian needs.

Partnership Formed with Australian Research Institutes on Autism Studies

In July 2016, Immuron announced a cutting edge collaboration partnership with three leading Australian research institutes. The research will explore connections between gastrointestinal (GI) microbiota and people with Autism Spectrum Disorder (ASD).

The partnering research institutes include the University of Melbourne, La Trobe University, and the Murdoch Children's Research Institute.

This research program will initially concentrate on microbiota in mouse models, which is similar to humans, but will allow for more control over environmental factors which can be difficult in human testing.

Data from the study will be an industry first and could eventually lead to human studies. These would support the increasingly convincing research that links the microbiome to certain Central Nervous System (CNS) conditions.

Oversubscribed $6.32M Rights Issue & $1.6M FY2016 R&D Refund

Immuron's July 2016 Rights Issue closed in Sept 2016, and was oversubscribed raising $6.32 million (before costs).

As a result, the Company was able to inform shareholders that it would repay all future Convertible Note repayments to US Investment Fund Sea Otter in cash, benefiting shareholders through no further dilution of their holdings via share issue repayments.

Immuron also received a $1.6 million cash refund from its $3.6m of eligible research and development (R&D) expenditure in financial year 2016 under the Australian Federal Government's Research and Development Income Tax Concession incentive program.

Immuron Files F-1 with the US Securities and Exchange Commission ahead of NASDAQ Listing

In December 2016, the Company filed its Registration Statement Form F-1 with the US Securities and Exchange Commission (SEC). The registration is the first step towards an initial public offering (IPO) in the United States of Immuron's American Depository Shares (ADS) on the US NASDAQ exchange. Following the endorsement of shareholders in Nov 2016 for the US NASDAQ listing, the Company has continued to progress the listing as quickly as practicable.

In February 2017, the Company submitted two rounds of responses to queries it has received from the SEC. The Company will continue to work with the SEC to satisfy all requests for clarification to ensure the Form F1 is finalized as soon as possible.

On the horizon

Looking forward for the remainder of fiscal year 2017, there are a number significant milestones on the horizon:

- Completion of Registration with the US SEC;
- US listing on NASDAQ via IPO and associated capital raising;
- Progression of NASH, Pediatric NAFLD/NASH and ASH programs;
- Top Line results of the NASH Phase II clinical trial interim analysis;
- Commencement of the Phase I/II *C. difficile* clinical trial program; and
- Acceleration of the colitis pre-clinical program;

All of these developments underpin the careful planning and strategic thinking that continues to guide Immuron's advance towards global significance as a pharmaceutical force, and a NASH-centric LM&A transaction post NASH Phase II results to ensuring the Company is maximizing the potential value from its portfolio platform for shareholders.

For and on behalf of the Company

Thomas Liquard
Chief Executive Officer
Immuron Limited

Dated: This the 28th day of February 2017

Auditors' Independence Declaration

William Buck

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

I declare that, to the best of my knowledge and belief during the period ended 31 December 2016 there have been:

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director

Dated this 28th day of February, 2017

CHARTERED ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +613 9824 8555
williambuck.com

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2016

	Notes	31 December 2016 $	31 December 2015 (Restated) $
Revenue			
Total Operating Revenue		703,099	497,220
Total Operating Revenue		**703,099**	**497,220**
Cost of Goods Sold		(223,394)	(153,640)
Gross Profit		**479,705**	**343,580**
Direct Selling Costs			
Sales and Marketing Costs		(93,520)	(242,150)
Freight Costs		(62,590)	(61,299)
Total Gross Revenue		**323,595**	**40,131**
Other Income		816,932	1,476,906
Expenses			
Consulting, Employee and Director		(907,390)	(1,113,214)
Corporate Administration		(790,103)	(708,625)
Depreciation		(1,975)	(1,944)
Finance Fee Costs		(13,183)	-
Impairment of Inventory		(135,170)	(169)
Marketing and Promotion		(471,735)	(12,233)
Research and Development		(2,117,867)	(1,839,990)
Travel and Entertainment		(112,453)	(195,605)
Loss Before Income Tax		**(3,409,349)**	**(2,354,743)**
Income Tax Expense		-	-
Loss after income tax for the period		**(3,409,349)**	**(2,354,743)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Exchange differences on translating foreign operations		(41,425)	(4,781)
Total Comprehensive Loss for the period		**(3,450,774)**	**(2,359,524)**
Basic/Diluted Loss per Share (cents per share)	7	(3.318)	(3.120)

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

For the Half Year Ended 31 December 2016

	Notes	31 December 2016 $	30 June 2016 (Restated) $
ASSETS			
Current Assets			
Cash and cash equivalents		3,103,683	2,290,639
Trade and other receivables		900,347	4,387,772
Inventories		1,751,871	2,056,067
Other		81,933	74,943
Total Current Assets		**5,837,834**	**8,809,421**
Non-Current Assets			
Property, plant and equipment		17,967	18,063
Total Non-Current Assets		**17,967**	**18,063**
TOTAL ASSETS		**5,855,801**	**8,827,484**
LIABILITIES			
Current liabilities			
Trade and other payables		1,624,621	1,986,407
Borrowings		-	772,397
Other financial liabilities		678,000	1,128,117
Total Current Liabilities		**2,302,621**	**3,886,921**
TOTAL LIABILITIES		**2,302,621**	**3,886,921**
NET ASSETS		**3,553,180**	**4,940,563**
EQUITY			
Issued capital	5	47,485,700	45,633,354
Reserves		2,243,061	2,128,566
Retained earnings		(46,175,581)	(42,821,357)
TOTAL EQUITY		**3,553,180**	**4,940,563**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2016

	Share Capital $	Option Reserves $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance as at 30 June 2015	**40,335,347**	**560,646**	**(12,581)**	**(37,542,572)**	**3,340,840**
Loss after income tax expense for the year	-	-	-	(2,359,524)	(2,359,524)
Other comprehensive loss for the period	-	-	(4,781)	-	(4,781)
Total comprehensive loss for the period	**-**	**-**	**(4,781)**	**(2,359,524)**	**(2,364,305)**
Employee and consultant share options	-	537,309	-	-	537,309
Lapse or exercise of share options	-	(58,615)	-	-	(58,615)
Transactions with owners in their capacity as owners					
Shares issued, net of costs	480,879	-	-	-	480,879
Balance as at 31 December 2015 (Restated)	**40,816,226**	**1,039,340**	**(17,362)**	**(39,902,096)**	**1,936,108**
Balance as at 30 June 2016 (Restated)	**45,633,354**	**2,132,302**	**(3,736)**	**(42,821,357)**	**4,940,563**
Loss after income tax expense for the year	-	-	-	(3,409,349)	(3,409,349)
Other comprehensive loss for the period	-	-	(41,425)	-	(41,425)
Total comprehensive loss for the period	**-**	**-**	**(41,425)**	**(3,409,349)**	**(3,450,774)**
Options issued/expensed	-	282,920	-	-	282,920
Lapse or exercise of share options	71,875	(127,000)	-	55,125	-
Transactions with owners in their capacity as owners					
Shares issued, net of costs	1,780,471	-	-	-	1,780,471
Balance as at 31 December 2016	**47,485,700**	**2,288,222**	**(45,161)**	**(46,175,581)**	**3,553,180**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2016

	Note	31 December 2016 $	31 December 2015 $
Cash flows Related to Operating Activities			
Receipts from customers		664,900	613,528
Payments to suppliers and employees		(4,423,797)	(4,074,918)
Interest received		6,791	7,143
Interest and other costs of finance paid		(54,555)	-
Other - R&D Tax Concession Refund		1,590,043	-
Net Cash Flows Used In Operating Activities		**(2,216,618)**	**(3,454,247)**
Cash Flows Related to Investing Activities			
Payment for purchases of plant and equipment		(1,879)	(2,441)
Net Cash Flows Used In Investing Activities		**(1,879)**	**(2,441)**
Cash Flows Related to Financing Activities			
Proceeds from issues of securities		4,423,234	342,223
Capital raising costs		(120,285)	(7,458)
Proceeds from borrowings		-	1,000,000
Repayment of borrowings	8	(1,271,555)	-
Net Cash Flows Used In Financing Activities		**3,031,394**	**1,334,765**
Net increase/(decrease) in cash and cash equivalents		812,897	(2,121,923)
Cash and cash equivalents at the beginning of the period		2,290,639	3,116,074
Effects of exchange rate changes on cash and cash equivalents		147	-
Cash and Cash Equivalents at the End of the Period		**3,103,683**	**994,151**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1. Basis of Preparation

(a) Basis of Preparation

The general purpose financial report for the interim half year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half year financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Immuron Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Compliance with AASB 134 "Interim Financial Report" ensures that the financial statements and notes of the entity comply with International Financial Reporting Standards equivalent IAS 34 "Interim Financial Reporting."

(b) Accounting Policies

All accounting policies adopted are consistent with the most recent Annual Financial Report for the year ended 30 June 2016. The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretation issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

(c) Fair value measurement

Due to the nature of the Group's operating profile, the Directors and management do not consider that the fair values of the Group's financial assets and liabilities are materially different from their carrying amounts at 31 December 2016.

(d) Going Concern

At 31 Dec 2016 the Company's cash and cash equivalents amounted to $3,103,683 (2015: $994,151).

For the half year ended 31 December 2016 the Company experienced a net cash outflow of $2,216,618 (2015: $3,454,247) from operating activities. This included $2,117,867 of expenditures associated with research, development and commercialisation programs predominantly surrounding the Non- Alcoholic Steatohepatitis (NASH) Clinical Trial.

The Company has achieved a number of key successes in the past 6 months including:

- successfully completion of an oversubscribed $6.32M Right Issue Capital Raising (before costs);
- Repayment of convertible note in cash so as to remove downward pressure on share price from the sell-off of conversion shares;
- completion and Filing of the Form F1 with SEC in preparation of a US NASDAQ listing;
- commencement of HIN fully-funded IMM-124E Pediatric Non-Alcoholic Fatty Liver Disease (NAFLD) Phase II trial; and
- completion of patient recruitment in the Company's (NASH) IMM-124E Phase II clinical trial.

Whilst the Company is projecting further net losses and a net cash outflow from operations for the remainder of the 2017 financial year, the Board is confident of strong support from US investors ahead of the highly anticipated US NASDAQ listing.

The Directors have considered feedback from advisors as well as the considerable recent US market activity surrounding NASH clinical assets, which when combined with the forthcoming NASH clinical trial results pending for release in Q4 of 2017, the Company is very well positioned to ensure a successful fund raising can be achieved.

In the unlikely event that the Company is not successful with the US NASDAQ IPO raise, the Company may seek to raise further funds through more conventional means via the ASX. The likelihood of the Company not being able to raise further funding to secure it future as a going concern is extremely minimal, but should this occur the Company would amend its current business plans and targets in the interim.

Accordingly, the Directors have prepared the financial statements on a going concern basis. As such, the financial statements do not include any adjustments as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Note 2. Dividends

The company has not declared any dividends in the period ended 31 December 2016. (2015: $Nil)

Note 3. Segment Information

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

The executive management team considers the business from both a product and a geographic perspective and has identified three reportable segments.

Segments

Research and Development (R&D) – Income and expenses directly attributable to the company's research and development projects performed in Australia and Israel.

HyperImmune Products – Income and expenses directly attributable to Travelan activities which occur in Australia, New Zealand and United States.

Corporate – Other items of income and expenses not directly attributable to R&D or HyperImmune Products segment are disclosed as corporate costs. Corporate activities primarily occur within Australia. This segment includes interest expenses from financing activities and depreciation.

The Board assesses the performance of the operating segments at a number of operating levels including adjusted EBITDA.

31 December 2016	Research & Development $	HyperImmune Products $	Corporate $	Total $
Segment Revenue				
Revenue from external customers	-	703,099	-	703,099
R&D tax concession refund	779,826	-	-	779,826
Interest revenue	-	-	6,791	6,791
Other revenue	25,007	-	5,308	30,315
Total Segment Revenues	**804,833**	**703,099**	**12,099**	**1,520,031**
Segment Expenses				
Segment Expenses	(2,117,867)	(379,504)	(2,432,009)	(4,929,380)
Total Segment Expenses	**(2,117,867)**	**(379,504)**	**(2,432,009)**	**(4,929,380)**
Income Tax Expenses	-	-	-	-
Net Result	**(1,313,034)**	**323,595**	**(2,419,910)**	**(3,409,349)**
Assets				
Segment assets	702,623	1,949,595	3,203,583	5,855,801
Total Assets	**702,623**	**1,949,595**	**3,203,583**	**5,855,801**
Liabilities				
Segment liabilities	(708,474)	(131,630)	(1,462,517)	(2,302,621)
Total Liabilities	**(708,474)**	**(131,630)**	**(1,462,517)**	**(2,302,621)**

31 December 2015	Research & Development $	HyperImmune Products $	Corporate $	Total $
Segment Revenue				
Revenue from external customers	-	497,220	-	497,220
R&D tax concession refund	1,469,763	-	-	1,469,763
Interest revenue	-	-	7,143	7,143
Total Segment Revenues	**1,469,763**	**497,220**	**7,143**	**1,974,126**
Segment Expenses				
Segment Expenses	(1,839,990)	(457,089)	(2,031,790)	(4,328,869)
Total Segment Expenses (Restated)	**(1,839,990)**	**(457,089)**	**(2,031,790)**	**(4,328,869)**
Income Tax Expenses	-	-	-	-
Net Result (Restated)	**(370,227)**	**40,131**	**(2,024,647)**	**(2,354,743)**
Assets				
Segment assets	1,469,763	1,597,215	1,078,817	4,145,795
Total Assets	**1,469,763**	**1,597,215**	**1,078,817**	**4,145,795**
Liabilities				
Segment liabilities	(642,521)	(52,486)	(1,509,901)	(2,204,908)
Total Liabilities	**(642,521)**	**(52,486)**	**(1,509,901)**	**(2,204,908)**

Note 4. Contingent Liabilities and Assets

There has been no change in contingent liabilities and assets since the last annual reporting date.

Note 5. Contributed Equity

	31 December 2016		30 June 2016	
	No.	$	No.	$
Fully Paid Ordinary Shares				
Balance at beginning of year	80,099,646	45,633,354	74,964,232	40,335,347
Shares issued during the year	25,541,771	1,841,951	5,135,414	1,721,789
Shares to be issued	-	-	-	4,511,378
Movement to Retained Earnings	-	71,875	-	-
Treasury Shares	-	-	-	(800,000)
Transactions costs	-	(61,480)	-	(135,160)
Total Contributed Equity	**105,641,417**	**47,485,700**	**80,099,646**	**45,633,354**

During the Half Year ended 31 December 2016 the Company issued the following Ordinary Shares:

Date	Details	No.	Issue Price $	Total Value $
7 Jul 2016	Right Issue	25,289,894	0.072	1,811,096
2 Dec 2016	Shares under ESOP - for 6 month service (vesting monthly)	251,877	0.123	30,855
Total 2016 Movement		**25,541,771**		**1,841,951**

Note 6. Option Reserves

	31 December 2016		30 June 2016	
	No.	$	No.	$
Options over Fully Paid Ordinary Shares				
Balance at beginning of year	8,937,629	2,132,302	6,188,676	560,646
Options issued during the year	26,489,894	70,520	1,425,532	285,600
Options exercised during the year	-	-	(1,060,166)	(71,875)
Expense of vested options	-	212,400	6,000,000	1,606,275
Lapse of unexercised options	(1,250,000)	(127,000)	(3,616,413)	(248,344)
Total Reserves	**34,177,523**	**2,288,222**	**8,937,629**	**2,132,302**

During the Half Year ended 31 December 2016 the Company issued the following Options:

Date		No.	Issue Price $	Total Value $
2 Dec 2016	Right Issue	25,289,894	-	-
9 Dec 2016	Unlisted Option in lieu of services	1,000,000	0.042	41,900
9 Dec 2016	Unlisted Option in lieu of services	200,000	0.143	28,620
Total 2016 Movement		**26,489,894**		**70,520**

Note 7. Loss Per Share

		31 December 2016 $	31 December 2015 (Restated) $
Basic/Diluted loss per share (cents)		(3.318)	(3.120)
a)	Net loss used in the calculation of basic and diluted loss per share	(3,409,349)	(2,354,743)
b)	Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	102,756,793	75,470,006

Note 8. Related Party Transactions

Short-Term Loan

Grandlodge Capital Pty Ltd (Grandlodge) is an entity part-owned and operated by Immuron Directors Peter and Stephen Anastasiou. On 6th June 2016, Immuron executed a short-term funding agreement with Grandlodge for a principle amount of $750,000, plus associated arms-length commerical establishment and interest charges.

The short-term funding is a cash advance against the anticipated refund Immuron will receive from the Australian Taxation Office under the Research and Development Income Tax Concession Incentive for the Company's eligible R&D expenditure incurred for financial year of 2016.

Loan has been repaid to Grandlodge on 2nd December 2016.

Service rendered by Grandlodge Pty Ltd to Immuron Ltd

Grandlodge, and its associated entities, are marketing, warehousing and distribution logistics companies which is part-owned and operated by Immuron Limited's Executive Vice Chairman Peter Anastasiou and Non-Executive Director Stephen Anastasiou. Mr David Plush is also an owner of Grandlodge, and its associated entities, and owns a top 20 shareholding in Immuron Limited.

Commencing on 1st June 2013, Grandlodge was contracted on commercial market arms-length terms to provide warehousing, distribution and invoicing services for Immuron's products for $70,000 per annum. These fees will be payable in new fully paid ordinary shares in Immuron Limited at a set price of $0.16 per share representing Immuron Limited's share price at the commencement of the agreement.

The shares to be issued to Grandlodge, or its associated entities, as compensation in lieu of cash payment for the services rendered under this agreement have been subject to the approval of Immuron shareholders at Company shareholder meetings held over the past 18 months.

Grandlodge will also be reimbursed in cash for all reasonable costs and expenses incurred in accordance with their scope of works under the agreement, unless both parties agree to an alternative method of payment.

The agreement is cancellable by either party upon providing the other party with 30 days written notice of the termination of the agreement.

Premises Rental services received from Wattle Laboratories Pty Ltd to Immuron Ltd:

Wattle Laboratories Pty Ltd (Wattle) is an entity part-owned and operated by Immuron Directors Peter and Stephen Anastasiou. Commencing on 1st January 2016, Immuron executed a Lease Agreement with Wattle whereby Immuron will lease part of their Blackburn office facilities for Immuron's operations at an arms-length commercial rental rate of $38,940 per annum, payable in monthly instalments.

The lease is for a 3 year term with an additional 1 year option period.

The lease is cancellable by either party upon 6 months written notice of termination of the agreement.

Note 9. Events Occurring after the Reporting Date

There have not been any matters or circumstances in the financial statements or notes thereto, that have arisen since the end of the financial half year, which significantly affected, or may significantly affect, the operations of Immuron Limited, the results of those operations or the state of affairs of Immuron Limited in future financial years.

Note 10. Adjustment to previously lodged financial statements.

Unlisted Options Adjustment:

Subsequent to the issue of the financial statements for the period ended 30 June 2016, for the purpose of the US NASDAQ filing process, management reviewed and re-assessed it's estimates surrounding the accounting treatment applied to the valuation of Unlisted Options issued in lieu of cash payment during the FY2016 financial year for additional services as per Resolution 5A-5D of the AGM held on 25 Nov 2015.

The financial statements for the 30 June 2016 valued the Options using the recommended and accepted Black-Scholes methodology for determining the fair value of the options in accordance with AASB 2– Share Based Payments. The Company re-assessed the underlying assumptions and estimates surrounding the original Black and Scholes inputs and it was determined that the original volatility input of 42%, was too low. Accordingly, the Company has recalculated the value of the Unlisted Options using the Black and Scholes model including a volatility input of 100% which has effectively increased the share based payment expense associated with the Unlisted Options. This difference in this valuation pertaining to the FY2016 portion of the Unlisted Option expense has been subsequently recorded in the FY2016 financial period effectively restating the original FY2016 presented numbers.

The impact on the Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet were accordingly restated, as follows:

	Amounts Reported on ASX 31 December 2015	Adjustment Recognised	Amounts reported in these financial statements
	$	$	$
Consolidated Statement of Profit and Loss and Other Comprehensive Income			
Consulting, Employee and Director	(675,139)	(438,075)	(1,113,214)
Loss after income tax for the period	(1,916,668)	(438,075)	(2,354,743)
Consolidated Statement of Financial Position			
Reserves	583,902	438,076	1,021,978
Retained Earning	(39,459,241)	(438,076)	(39,897,317)

	Amounts Reported on ASX 30 June 2016 $	Adjustment Recognised $	Amounts reported in these financial statements $
Consolidated Statement of Profit and Loss and Other Comprehensive Income			
Consulting, Employee and Director	(1,630,700)	(1,209,337)	(2,840,037)
Loss after income tax for the period	(4,389,667)	(1,209,337)	(5,599,004)
Consolidated Statement of Financial Position			
Issued Capital*	46,505,229	871,875	45,633,354
Reserves	847,353	(1,281,213)	2,128,566
Retained Earning	(41,612,019)	1,209,338	(42,821,357)

*A re-classification of Escrowed Treasury Shares previously recorded as an Asset has resulted in a $800,000 reduction in the Company's Assets and a corresponding increase in Company's equity reserves.

	EPS 31 December 2015 $	EPS 30 June 2016 $
Earnings per share		
EPS as reported on ASX	2.540	5.705
EPS reported in these financial statements	3.120	7.277

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 20, are in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements including:

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

(b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 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.

Dr. Roger Aston
Non-Executive Chairman
Immuron Limited

This the 28th Day of February 2017

William Buck

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IMMURON LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Immuron Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 a 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 2016 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 Immuron Limited, 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 other 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.

CHARTERED ACCOUNTANTS & ADVISORS
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Telephone: +61 3 9824 8555
williambuck.com

William Buck

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IMMURON LIMITED AND ITS CONTROLLED ENTITIES (CONT)

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 Immuron Limited 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 2016 and of its performance for the half year ended on that date; and
b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of $3,409,349 and cash outflows from operations of $2,216,618 during the half year ended 31 December 2016. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Adjustments to Previously Lodged Financial Statements
Without modification to our conclusion expressed above, we draw attention to Note 10 of the half year financial statements which outlines a restatement of the previously issued 30 June 2016 annual financial report. Our conclusion is not modified in respect of this matter.

William Buck.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated this 28th day of February, 2017

Company Directory

Australian Company Number (ACN)
063 114 045

Immuron Limited is a Public Company Limited by shares and is domiciled in Australia.

Directors

Dr. Roger Aston	Non-Executive Chairman
Mr. Peter Anastasiou	Deputy Executive Vice Chairman
Mr. Stephen Anastasiou	Non-Executive Director
Mr. Daniel Pollock	Non-Executive Director

Chief Executive Officer (CEO)
Mr. Thomas Liquard

Company Secretaries
Mr. Phillip Hains
Mr. Peter Vaughan

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Securities Quoted

Australian Securities Exchange
- Ordinary Fully Paid Shares (Code: IMC)