

31 August 2010

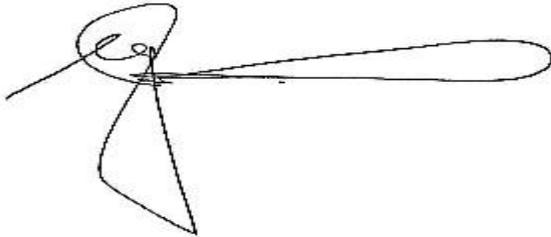
The Manager
The Company Announcement Office
Australian Stock Exchange
Sydney NSW 2000

Dear Sir

Attached are the preliminary audited results for the 2010 financial year for announcement to the market.

The annual report for the 2010 financial year containing the Directors report, financial statements for the year ended 30 June 2010, and the auditor's report thereon will be lodged separately.

We advise that the Annual General Meeting of shareholders will be held on Monday 29 November at the RACV Club, Bourke Street, Melbourne.

A handwritten signature in black ink, appearing to be 'Graeme Stevens', with a long horizontal stroke extending to the right.

Graeme Stevens
Company Secretary

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Immuron Limited
Year ended 30 June 2010
Results for Announcement to the Market

				\$
Revenue from continuing operations	Down	9.6%	to	498,075
(Loss) from continuing operations after tax attributable to members	Reduced by	27.5%	to	(1,902,425)
Net (loss) for the period attributable to members of Immuron Limited	Reduced by	17.9%	to	(1,902,425)

Dividends/distributions

	Amount per security	Franked amount per security
Final dividend	NIL	NIL
Interim dividend	NIL	NIL

	<u>2010</u>	<u>2009</u>
Net Tangible Asset backing per Ordinary Share – cents per share	0.006	(0.001)

A summary of the loss for the year ended 30 June 2010 compared with the previous year is as follows:

	\$'000	\$'000
	<u>2010</u>	<u>2009</u>
Income		
Income from sale of goods and interest received	498	551
Grants income	62	320
Total Income	<hr/> 560	<hr/> 871
Expenses		
R & D expenses	1,405	1,196
Non R & D expenses	1,321	2,300
Total expenses	<hr/> (2,726)	<hr/> (3,496)
Loss before income tax	<hr/> (2,166)	<hr/> (2,625)
Income tax benefit	264	-
Loss from continuing operations	<hr/> (1,902)	<hr/> (2,625)
Profit from discontinuing operations	-	307
Loss attributable to members of Immuron Limited	<hr/> (1,902)	<hr/> (2,318)

Comments on results for year

Following the adoption of a new strategic outlook early in the 2010 financial year, there has been a significant transformation of the Company's direction and the level and nature of its research and development activities.

Central to this change was the development of the relationship with Hadasit Medical Research Services & Development Limited (Hadasit) and access to the research facilities at the Hadassah Medical Center (Hadassah).

This relationship provides the opportunity for the Company's research to be conducted in an FDA compliant facility and gave access to previous research work that had been conducted on the science associated with metabolic syndrome and other diseases.

This relationship was further strengthened through the acquisition of intellectual property associated with Hadasit and Hadasit taking an initial 19.9% interest in Immuron Limited, and the appointment of Professor Yaron Ilan as the medical director of the Company. Professor Ilan is one of the senior medical directors at Hadassah.

As part of the change in strategic direction, the management of the Company was transferred from the USA back to Australia with the appointment of Dr Grant Rawlin as the Chief Executive Officer. That change had the effect of reducing the cost of personnel and the associated costs by approximately \$915,000 and focusing the Company on its strategic direction.

A significant portion of the savings was transferred into R&D expenditures on new projects, with the net of grant monies expenditure increasing by \$467,000 to \$1,343,000. Of this amount, the R&D work conducted in Israel at Hadassah amounted to \$551,000. The major portion of that work represented preclinical studies associated with influenza, diabetes, hepatic cancer and NASH (fatty liver).

Coinciding with the increases in R&D activity, the Company has significantly enhanced its portfolio of patents, with the costs associated with lodging new patent applications and maintaining its existing portfolio totalling \$287,000 for the year, an increase of \$89,000 over the preceding year. The Company also obtained the benefit of a taxation rebate of \$263,732 in respect of its 2009 R&D expenditure.

As part of the new strategy to focus on its R&D capability, the Company entered into an agreement with Nycomed Australia for the distribution of the Travelan product in Australia and New Zealand. Nycomed commenced distribution in February 2010 and there is a clear indication that Nycomed will gain a significant penetration into the market which would not have been achieved by the Company.

Revenues and other income from continuing operations decreased by \$310,412, when compared with the 2009 year. This reduction was essentially a decrease in grant income of \$257,559, due to the finalisation of the agreements with the Commonwealth Department of Innovation, Industry, Science and Research, and the Victoria-Israel Science and Technology Research and Development Fund.

The revenues for hyperimmune products were lower this year due to sales to Alaven Consumer Healthcare being lower than the previous year. This position arose due to Alaven needing to develop its regulatory procedures for the US market and sales are expected to recommence with Alaven in the 2011 year.