

## **Immunotec announces positive Second Quarter Earnings Results**

- **Active Distributors Up 15% to 28,700 after six months**
- **Second Quarter Net Earnings of \$193 thousand, compared to a loss of (\$618) thousand for 2009.**

VAUDREUIL-DORION, QC, June 21, 2010 - Immunotec Inc. (TSX Venture Exchange: IMM), a Canadian based company and a leader in the wellness industry (the "Company"), today reported positive results with second quarter 2010, Net Earnings of \$193 thousand for the quarter ending April 30, 2010, compared to a loss of (\$618) thousand for 2009. After six month, Net Earnings achieved \$403 thousand compared to a loss of (\$819) thousand last year.

The Company's consolidated revenues totalled \$9.8M for the second quarter of Fiscal 2010, as compared to \$12.3M in the same period last year a decrease of 20% overall. Year-to-Date, consolidated revenues totalled \$20.3M for the second quarter of Fiscal 2010, as compared to \$23.0M in the same period last year a decrease of 12% after six months. This decrease in consolidated revenues is primarily due to the strengthening of the Canadian dollar over the US currency, using an average conversion rate (\$1USD to CAD) of 1.0405 during second quarter of 2010 compared with an average rate of 1.2264 for the same period of 2009. This translated to fluctuations of approximately \$1.0M for the quarter and \$1.5M year to date.

For the quarter ended April 30, 2010, Non-GAAP adjusted EBITDA totalled \$594 thousand or 6% of revenues compared to \$67 thousand or 1% of revenues for Fiscal 2009. Importantly, after six months, the Company was able to maintain this non-GAAP adjusted EBITDA totalled \$1.4M or 7% of revenues compared to \$214 thousand or 1% of revenues for Fiscal 2009.

"Recurrent profitability for a second consecutive quarter is a demonstration that our business model is able to build shareholder value especially given the continued macro-economic downturn", said James A. Northrop, President and CEO of Immunotec Inc. "Our geographic expansion in Mexico, France and Germany will create growth opportunities in the near term".

### **Fiscal 2010 Financial Results Highlights:**

- During the quarter, Network sales reached \$8.5M in 2010 compared to \$10.3 for the same period in 2009, a decline of \$1.8M or a 17% decrease. After six months, Network sales reached \$17.3M in 2010 compared to \$19.5 for the same period in 2009, a decline of \$1.8M or a 11% decrease. This decrease is in large, part attributable to foreign exchange stemming from a much stronger Canadian

dollar in 2010. The average Canadian dollars value used during the period was 1.0405 during fiscal 2010 compared to 1.2264 for the same period of 2009.

- Other revenues reached \$1.3M in 2010 compared to \$2.0M for the same period in 2009. After six months, Other Revenues reached \$3.0M in 2010 compared to \$3.4M for the same period in 2009, a decline of \$0.4M. Both the quarterly and year-to-date decline result of timing of purchasing and weaker export into the Southeast Asia and potentially lasting impact of global economic conditions explains this situation.
- Margin before expenses, as a percentage of net sales improved to 32% compared to only 26% for year 2009. This improvement, despite the lower revenues, is attributed to changes made on the sales incentive program launched in 2009. Sales incentives – Network is the largest segment of the variable expenses of the Company. As a percentage of Network sales, the incentive program represented, after six months, an average of 48%, an improvement from the 55% level in 2009.
- Expenses defined below as being the cumulative amounts of Administration, Marketing, Sales, Quality Control and Research & Development expenses were \$2.6M for the three-month period ended April 30, 2010 and stable with the previous period representing 26% of total revenues. Importantly, the Company has been prudent in the area of marketing and sales expenditure during the first six months of fiscal 2010 demonstrating an improvement of 2%, when compared to the same period last year over the ratio of 27% in 2009.
- The total basic and fully diluted earnings per share for the second quarter and year-to-date of Fiscal 2010 was respectively \$0.003 and \$0.006, compared to a basic and fully diluted loss per share of (\$0.009) and (\$0.012) for the same period in Fiscal 2009.

#### *About Immunotec Inc.*

Immunotec is a Network Marketing Company involved in the direct selling of scientifically validated natural health products and dietary supplements. The Company offers a lucrative business opportunity to its independent distributors. This business model provides Immunotec's network of people with an opportunity to earn a steady and recurring income, directly based on their level of involvement and performance. Individual distributors build their business by conveying product information and selling product to customers and by building teams of distributors to expand geographic penetration and market coverage to larger populations of customers.

Headquartered with manufacturing facilities near Montreal, Canada, the Company also subcontracts certain distribution logistics and capacity to support its activities in the United States, Europe, Mexico and The Caribbean.



The Company files its consolidated financial statements, its management and discussion analysis report, its press releases and such other required documents on the SEDAR database at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.immunotec.com](http://www.immunotec.com). The common shares of the Company are listed on the TSX Venture Exchange under the ticker symbol IMM.

*CAUTION REGARDING FORWARD-LOOKING STATEMENTS*

*Certain statements contained in this news release are forward-looking and are subject to numerous risks and uncertainties, known and unknown. For information identifying known risks and uncertainties and other important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the heading Risks and Uncertainties in Immunotec's most recent Management's Discussion and Analysis, which can be found at [www.sedar.com](http://www.sedar.com). Consequently, actual results may differ materially from the anticipated results expressed in these forward-looking statements.*

"The TSX Venture does not accept responsibility for the adequacy or accuracy of this release."

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**INTERIM CONSOLIDATED BALANCE SHEET**  
(UNAUDITED)

	As at April 30, 2010	As at October 31, 2009
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	2,597,940	2,262,821
Accounts receivable	600,148	201,841
Income taxes receivable	20,158	70,306
Inventories	3,055,448	3,941,847
Prepaid expenses	875,406	436,251
Future income taxes	101,281	90,133
	7,250,381	7,003,199
<b>Long-term</b>		
Property, plant and equipment	5,858,454	6,068,313
Intangible assets	2,324,335	2,505,937
Goodwill	499,541	499,541
Future income taxes	1,829,125	1,969,403
Other assets (note 3)	656,397	699,839
	18,418,233	18,746,232
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	2,770,140	2,629,247
Accrued liabilities	824,386	1,881,390
Customer deposits	416,442	308,557
	4,010,968	4,819,194
<b>Shareholders' Equity (Deficit)</b>		
Share capital (note 4)	3,465,548	3,465,548
Other equity - Stock options (note 5)	1,847,609	1,770,093
Contributed surplus	11,337,796	11,337,796
Deficit	(2,243,688)	(2,646,399)
	14,407,265	13,927,038
	18,418,233	18,746,232



## Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(UNAUDITED)	Number of common shares	Share capital \$	Other equity -Stock options \$	Contributed surplus \$	(Deficit) Retained earnings \$	Total \$
<b>Balance - October 31, 2008</b>	69,994,300	3,465,548	1,414,885	11,332,143	1,898,637	18,111,213
Net loss	-	-	-	-	(818,741)	(818,741)
Stock-based compensation (note 5)	-	-	193,160	5,653	-	198,813
<b>Balance - April 30, 2009</b>	69,994,300	3,465,548	1,608,045	11,337,796	1,079,896	17,491,285
<b>Balance - October 31, 2009</b>	69,994,300	3,465,548	1,770,093	11,337,796	(2,646,399)	13,927,038
Net profit	-	-	-	-	402,711	402,711
Stock-based compensation (note 5)	-	-	77,516	-	-	77,516
<b>Balance - April 30, 2010</b>	69,994,300	3,465,548	1,847,609	11,337,796	(2,243,688)	14,407,265



**INTERIM CONSOLIDATED STATEMENT OF EARNINGS (LOSS) AND COMPREHENSIVE INCOME** For the three-month period ended April 30th For the six-month period ended April 30th

(UNAUDITED) 2010 2009 2010 2009  
\$ \$ \$ \$

**REVENUES**

Network sales	8,476,671	10,278,428	17,342,315	19,513,295
Other revenue	1,341,812	1,988,074	2,957,238	3,444,716
	9,818,483	12,266,502	20,299,553	22,958,011

**VARIABLE COSTS**

Cost of goods sold (excluding amortization)	1,615,846	2,016,652	3,638,097	3,746,114
Sales incentives - Network	4,148,842	5,933,487	8,397,171	10,802,136
Other variable costs	892,362	1,108,781	1,792,934	2,065,670
<b>Margin before expenses</b>	<b>3,161,433</b>	<b>3,207,582</b>	<b>6,471,351</b>	<b>6,344,091</b>

**Expenses**

Administrative	1,312,699	1,606,417	2,723,011	3,056,525
Marketing and Selling	966,449	1,265,188	1,827,051	2,557,496
Quality and Development costs	288,301	269,414	540,204	515,993
Amortization	288,282	265,578	575,311	529,406
Other non cash expenses	27,913	76,497	77,516	198,813
	2,883,644	3,483,094	5,743,093	6,858,233

**Earnings (Loss) from continuing operations before income taxes**

	277,789	(275,512)	728,258	(514,142)
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**Income taxes (Recovery)**

Current	30,175	(21,451)	55,161	38,001
Future	46,237	(94,264)	129,130	(191,141)

**Earnings (Loss) from continued operations**

	201,377	(159,797)	543,967	(361,002)
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Loss from discontinued operations

	(7,967)	(457,739)	(141,256)	(457,739)
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**(loss)**

	193,410	(617,536)	402,711	(818,741)
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**Basic and diluted net earnings (loss) per share**

Continuing operations	0.003	(0.002)	0.008	(0.005)
Discontinued operations	(0.000)	(0.007)	(0.002)	(0.007)
<b>Total basic and diluted net earnings (loss) per share</b>	<b>0.003</b>	<b>(0.009)</b>	<b>0.006</b>	<b>(0.012)</b>

**Weighted average number of common shares outstanding during the period**

Basic and diluted	69,994,300	69,994,300	69,994,300	69,994,300
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<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>  <b>(UNAUDITED)</b>	<b>For the three-month period ended April 30th</b>		<b>For the three-month period ended April 30th</b>	
	<b>2010</b> \$	<b>2009</b> \$	<b>2010</b> \$	<b>2009</b> \$
<b>Operating activities</b>				
Net earnings (loss)	193,410	(617,536)	402,711	(818,741)
Loss from discontinued operations	(7,967)	(457,739)	(141,256)	(457,739)
Earnings (Loss) from continuing operations	201,377	(159,797)	543,967	(361,002)
<u>Add (deduct) non cash items:</u>				
Amortization of property, plant and equipment	152,577	132,829	293,723	265,237
Amortization of intangible assets	135,705	132,749	281,588	264,169
Other receivable	-	-	43,442	-
Future income taxes	46,237	(94,264)	129,130	(191,141)
Stock-based compensation	27,913	76,497	77,516	198,813
Cash received prior to working capital variation	563,809	88,014	1,369,366	176,076
Net change in non-cash working capital	(162,191)	(1,721,266)	(709,141)	(2,078,265)
<b>Cash (used) received in operating activities</b>	<b>401,618</b>	<b>(1,633,252)</b>	<b>660,225</b>	<b>(1,902,189)</b>
<b>Investing activities</b>				
Additions to property, plant and equipment	(56,175)	(48,900)	(83,864)	(84,205)
Additions to intangible assets	(84,367)	(184,489)	(99,986)	(311,663)
Research and development tax credits	-	(13,272)	-	(26,544)
<b>Cash used in investing activities</b>	<b>(140,542)</b>	<b>(246,661)</b>	<b>(183,850)</b>	<b>(422,412)</b>
Net increase (decrease) in cash from continuing activities	261,076	(1,879,913)	476,375	(2,324,601)
Net (decrease) in cash from discontinued activities				
Operating activities	(7,967)	(466,135)	(141,256)	(466,135)
Investing activities	-	(123,165)	-	(123,165)
	(7,967)	(589,300)	(141,256)	(589,300)
<b>Net increase (decrease) in cash during the quarter</b>	<b>253,109</b>	<b>(2,469,213)</b>	<b>-</b>	<b>335,119</b>
<b>Cash at the beginning of the quarter</b>	<b>2,344,831</b>	<b>5,693,766</b>	<b>2,262,821</b>	<b>6,138,454</b>
<b>Cash at the end of the quarter</b>	<b>2,597,940</b>	<b>3,224,553</b>	<b>2,597,940</b>	<b>3,224,553</b>
<b>Supplemental information</b>				
Income taxes (recovered) paid during the quarter	19,937	42,383	11,414	76,322