



CONTINUED SALES GROWTH FOR IMMUNOTEC IN THE THIRD QUARTER, HOWEVER REPORTS NET LOSS ON CLOSE OF KOREAN MARKET AND INCREASE IN EXPENSES RELATING TO GROWTH STRATEGIES

Vaudreuil-Dorion, Quebec, September 29, 2009 – IMMUNOTEC INC.

(TSX Venture Exchange: IMM) (the "Company" or "Immunotec"), is engaged primarily in the development, manufacturing and marketing of health and wellness products which are classified as dietary supplements or natural health products focusing on the immune segment of this growing market. These products are distributed and sold in Canada, United States, the Republic of Ireland and the United Kingdom through a network marketing system and in other countries under exclusive distributorship agreements.

NET EARNINGS (LOSS)

The Company incurred a net loss for the third quarter ended July 31, 2009 of \$2,528,203 or (\$0.036) per share, compared to net earnings in the third quarter of 2008 of \$354,168 or \$0.005 per share.

For the nine-month period ended July 31, 2009 the Company recorded a net loss of \$3,346,944 or (\$0.048) per share, compared to net earnings of 1,099,278 or \$0.016 per share.

On July 31, 2009 the Company announced the closing of its subsidiary, Immunotec (Korea) Inc., located in Seoul, South Korea. The closure is the direct result of litigation with a former sub-distributor which obtained from the Seoul Central District Court the issuance of an "Executory Preliminary Injunction" on July 13, 2009 against Immunotec (Korea) Inc. to cease selling Immunocal products in Korea. A charge of \$1,424,458 representing the costs associated with the termination of the operations has been recorded in the third quarter. In addition, Immunotec (Korea) Inc. incurred a net loss of \$882,277 from its operations from the date of opening the business on March 20, 2009 to the closing of the business on July 31, 2009.

The largest component of the third quarter loss and the nine-month period loss is attributable to the closure of the South Korea subsidiary.

NET SALES

The Company, for the third quarter ended July 31, 2009, realized net sales of \$11,967,395 compared to \$8,942,007 in 2008, an increase of \$3,025,388 or 33.8%. Net sales in Canada posted an increase of \$276,797 or 6.3%, in the United States, an increase of \$989,557 or 27.7% and an increase of \$146,667 or 15.5% in our export market to other countries. The commencement of operations in the Republic of Ireland and United Kingdom under the seamless network marketing model in June 2009 resulted in net sales of \$39,504 while in South Korea, net sales were reported at \$1,572,863.

For the nine-month period ended July 31, 2009, net sales were \$34,762,679 compared to \$26,766,768 for the same period in 2008, an increase of \$7,995,911 or 29.9%. The commencement of operations in the Republic of Ireland and United Kingdom under the seamless network marketing model in June 2009 resulted in net sales of \$39,504 and in South Korea net sales were reported at \$2,642,944. Other markets also reported increases in volume: in Canada \$1,574,433 or 11.6%, in the United States \$3,580,735 or 33.9% and export sales \$158,295 or 6.0%.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

	For the three-month period ended July 31,		For the nine-month period ended July 31,	
	2009	2008	2009	2008
	(\$) unaudited	(\$) unaudited	(\$) unaudited	(\$) unaudited
Net Sales	11,967,395	8,942,007	34,762,679	26,766,768
Cost of Sales	2,370,257	1,573,609	6,682,627	4,940,520
Sales Incentives	5,644,625	3,697,379	16,103,001	10,971,475
Selling, General and Administrative	5,052,710	3,173,318	14,051,525	9,099,446
Costs of closing operations in South Korea	1,424,458	-	1,424,458	-
(Loss) Earnings before income taxes	(2,524,655)	497,701	(3,504,932)	1,755,327
Net (Loss) Earnings	(2,528,203)	354,168	(3,346,944)	1,099,278
Net (Loss) Earnings per share:				
Basic	(0.036)	0.005	(0.048)	0.016
Diluted	(0.036)	0.005	(0.048)	0.016
Weighted average number of common shares outstanding:				
Basic	69,994,300	69,994,300	69,994,300	69,994,300
Diluted	69,994,300	69,994,805	69,994,300	70,055,040

	As at July 31, 2009 (\$) unaudited	As at April 30, 2009 (\$) unaudited	As at October 31, 2008 (\$) audited
<u>ASSETS:</u>			
Cash and cash equivalents	1,749,168	2,463,783	6,138,454
Restricted cash	970,197	760,770	-
Accounts receivable	638,372	1,129,416	812,914
Other current Assets	6,928,497	7,137,186	4,683,255
Total current Assets	<u>10,286,234</u>	<u>11,491,155</u>	<u>11,634,623</u>
Other Assets	11,245,744	11,119,943	11,028,777
TOTAL ASSETS	<u>21,531,978</u>	<u>22,611,098</u>	<u>22,663,400</u>
<u>LIABILITIES:</u>			
Current Liabilities	6,484,744	5,119,813	4,552,187
TOTAL LIABILITIES	<u>6,484,744</u>	<u>5,119,813</u>	<u>4,552,187</u>
<u>SHAREHOLDERS' EQUITY:</u>			
Share Capital	3,465,548	3,465,548	3,465,548
Other Equity-Stock Options	1,692,197	1,608,045	1,414,885
Contributed surplus	11,337,796	11,337,796	11,332,143
Retained Earnings	(1,448,307)	1,079,896	1,898,637
TOTAL SHAREHOLDERS' EQUITY	<u>15,047,234</u>	<u>17,491,285</u>	<u>18,111,213</u>

SALES INCENTIVES

Sales incentives are the largest operating expenses of the Company and depend directly on the sales volume of each independent distributor. Sales incentives include both commissions related to commissionable net sales and various incentives which can be earned by independent distributors.

Sales incentives were 46.3% of net sales for the nine-month period ended July 31, 2009 (47.2% for the quarter), compared to 41.0% (41.3% for the quarter) of net sales for the corresponding periods of 2008. This increase in sales incentives resulted from the introduction of the new compensation plan in February 2009. Higher sales incentives were paid to the independent distributors due to transitional expenses associated with the grandfathering status offered for a limited period of time and bridging certain key distributors to guarantee their income during the transition. In addition, incentives related to achieving higher status in the new compensation plan were higher than projected in all of the Company's markets.

SELLING, GENERAL AND ADMINISTRATIVE

The selling, general and administrative expenses were \$14,057,525 for the nine-month period ended July 31, 2009 (\$5,052,107 for the quarter), compared to \$9,099,446 (\$3,173,318 for the quarter) for the corresponding periods of 2008. The increase of \$4,958,079 for the nine-month period is largely attributable to:

- Selling, general and administrative costs in operating the Korean business prior to shut down amounted to \$1,238,066;
- The increase in salaries and related expenses of \$1,452,583 resulting from the hiring of new personnel in the sales, marketing, purchasing, customer service and executive areas;
- The timing of the spring incentive trip and the introduction of regional meetings of \$489,286, as well as \$678,298 incurred for higher sales support expenses in the United States;
- \$681,819 for special programs and printed material to support the introduction of the new compensation plan;
- The increase costs in credit card fees and shipping and packaging costs of \$334,858, resulting from the increase in sales;
- The launch of the United Kingdom and the Republic of Ireland operations in May 2009 resulted in operational expenses of \$211,080 for the third quarter 2009, which mainly included selling, marketing and executive expenses.

Other operating expenses such as bank fees, foreign exchange and a reduction in interest income contributed to the unfavourable variation.

FINANCIAL SITUATION AND LIQUIDITY

As at July 31, 2009, the Company had cash, cash equivalents and restricted cash of \$2,719,365 compared to \$6,879,139 as at July 31, 2008. The Company believes that cash requirements in the ordinary course of business and for the expansion of its business in international markets for next year can be met with its available cash and cash generated from its operating activities. If required, the Company has access to operating credit facilities of \$2,000,000 at its bank's prime rate plus 1%. The credit facilities have not been drawn upon to date.

As at July 31, 2009, the Company shows a working capital of \$3,801,490 for a ratio of 1.58 compared to a working capital of \$6,749,628 with a ratio of 2.40 as at July 31, 2008.

INTERNATIONAL

The Company has for many years exported products internationally under exclusive distribution agreements based on geographic territories. Going forward, the Company has made a strategic decision to expand internationally using the same seamless network marketing model successfully employed in North America. Immunotec has formed a wholly owned subsidiary, Immunotec International Healthcare Products Limited, located in Dublin, Ireland this subsidiary began the process of building a network of independent distributors in the Republic of Ireland and the United Kingdom in May 2009. On July 31, 2009 the Company announced the closing of its subsidiary, Immunotec (Korea) Inc., located in Seoul, South Korea.

OUTLOOK

The Company's new compensation plan intrinsically reinforces key recruiting and leadership development initiatives, however the component which incents leadership development has proven to be too costly, and as a result, the Company will be implementing changes to that component of the plan taking effect on October 1, 2009. Once this change has been implemented, the Company will begin scaling back on promotional expenses.

Although gratified with the sales performance in the first nine months of the year the Company has incurred losses. Much of these losses were either one time or transitional associated with the implementation of our growth strategies. It is the Company's expectation that the growth in the distributors' network and in new leaders will yield long term growth and benefits, growing the revenue of the Company in the coming quarters and better leveraging the investments we have made in human capital and infrastructure to improve our bottom line results.

In support of this more rapid expansion plan, the Company has expanded its manufacturing capability at its production facility in Blainville, Quebec, adding packaging capability for its flagship product, Immunocal, resulting in a reduction in packaging costs.

In September 2009, the Company introduced a new product "Immunotec[®] Probiotic" which promotes a natural healthy intestinal environment for optimal digestion and serves to enhance mineral absorption and helps with urinary tract health. Continued product development is on-going, based on recommendations from Immunotec's Product Development Committee, allowing the Company to increase its product lines within the immune segment of the health and wellness market.

On July 7, 2009, the Company received Natural Health Products Directorate (NHPD)/Health Canada authorization to begin a study on the effect of the cysteine-rich whey protein isolate (Immunocal) in combination with physical exercise on muscle function, body composition and inflammatory cytokine levels in elderly persons: a randomized, double-blind study. This study will be conducted at the Clinical Research Institute of Montreal (IRCM) a research center in the province of Quebec with an excellent reputation in Canada and internationally.

On August 1, 2009, the Company announced an independent clinical research initiative at Beaumont Hospital's community clinical oncology program (CCOP), the goal of the study being the determination of the effect of cysteine-rich whey protein supplement in preventing additional weight loss in patients with stage IV (advanced) non-small cell lung cancer. Management is of the opinion that its investment in current research in such areas as cancer cachexia, aging and aging-related conditions will enable Immunotec to produce and bring to market more value-added products, thereby continuing to differentiate its products from competing products.

FORWARD LOOKING STATEMENTS

Some statements included in this management report contain forward-looking information about the Company's future financial positions, operating results and sales. They may be based on market expectations, management opinions and assumptions. Such information involves significant risks and uncertainties that are difficult to predict and rely on assumptions that may prove inaccurate. Actual results and events may differ materially from these forward-looking statements.

ABOUT IMMUNOTEC

Immunotec operates its business from a 37,000 square foot facility located in Vaudreuil-Dorion, Quebec, Canada, has a manufacturing facility located in Blainville, Quebec, Canada, a distribution centre located in Swanton, Vermont, USA and a service office in Dublin, Ireland. Immunotec is engaged primarily in the development and marketing of natural health products, dietary supplements, food, vitamins and personal care products, and natural health products, some of which are manufactured on its behalf by third parties. Immunotec's products are distributed through a network marketing system in Canada, the United States and most recently in the Republic of Ireland and the United Kingdom where operations began in June 2009. The Company's products are sold in other countries under exclusive distributorship agreements.

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 and on the Company's website at www.immunotec.com. The common shares of the Company are listed on the TSX Venture Exchange under the ticker symbol IMM.

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

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