

## **Immunotec Announces Financial Results for the Year Ended October 31, 2010**

VAUDREUIL-DORION, QC, February 21, 2011 - Immunotec Inc. (TSX Venture Exchange: IMM), a Canadian based company and a leader in the wellness industry (the "Company"), today reported financial results for the fiscal year 2010. Revenues totalled \$40.3 million, compared to \$44.7 million for the corresponding period last fiscal year. Importantly, the Company was able to maintain an adjusted EBITDA of \$774 thousand or 2% of revenues compared to a negative \$228 thousand for Fiscal 2009. Net loss and comprehensive loss were (\$1,387) thousand compared to a loss of (\$4,545) thousand last year.

During the fourth quarter and in subsequent events, the Company completed its full restructuring with several nominations to its management team. "Fiscal 2011 will be the rebirth of this Company", said Bob Henry, Immunotec's Executive Chairman and CEO "Last week we celebrated our fifteenth anniversary and I am confident that we will increase our positioning in the US".

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

Network sales reached \$34.5M in 2010 compared to \$37.9M for the same period in 2009, a decrease of 9% or \$3.4M. Other revenues include licensing revenues, freight and shipping, charge backs and educational material purchased by our network, reached \$5.9M in 2010, a decrease of \$0.9M compared to \$6.8M for the same period in 2009. The consolidated decrease in total revenues of \$4.4M is explained by the following:

- A reduction in revenues, calculated in local currency, of \$3.4M in our two key markets, represents an actual decline of 9% excluding the impact of currency fluctuations.
- The strengthening of the Canadian dollar over the US currency accounts for \$2.3M. The average Canadian dollar value used during the period was 1.0383 during Fiscal 2010, a decrease of 11.3% compared to 1.1700 for the same period of 2009.
- We recorded an increase of \$1.3M in sales from new distributors in Mexico along with an increase in revenues from other international business, which partially offsets the above.



Margins before expenses, as a percentage of net sales, improved in 2010 to 31.0% compared to 27.6% for year 2009. This improvement, despite lower revenues, is attributed to changes made to the sales incentive program launched in 2009.

The Network is the largest segment of the variable expenses of the Company. As a percentage of Network sales, the incentive program represented an average of 47.7%, compared to the 53.4% level in 2009.

Operating expenses were \$822 thousand below the prior year. Despite reduced costs in the areas of marketing and administration, operating expenses were a full percentage point higher when compared to the prior year. The Company also invested more into Development costs and launched in February 2011, two new products.

### *About Immunotec Inc.*

Immunotec is a world class business opportunity supported by unique scientifically proven products that improve wellness. Headquartered with manufacturing facilities near Montreal, Canada, the Company also has distribution capacities to support its commercial activities in Canada and internationally to 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.

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

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### *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.*



## Consolidated Balance Sheets

As at October 31	2010	2009
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	2,936,456	2,262,821
Accounts receivable	782,557	201,841
Income taxes receivable	-	70,306
Inventories	2,605,371	3,941,847
Prepaid expenses	382,794	436,251
Future income taxes	103,099	90,133
	6,810,277	7,003,199
<b>Long-term</b>		
Property, plant and equipment	5,674,090	6,068,313
Intangible assets	2,456,651	2,505,937
Goodwill	833,559	499,541
Future income taxes	2,382,148	1,969,403
Other assets	484,349	699,839
	18,641,074	18,746,232
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
<b>Current liabilities</b>		
Demand loan	1,000,000	-
Accounts payable	1,593,697	1,227,368
Accrued liabilities	2,707,076	3,283,269
Customer deposits	274,051	308,557
Income taxes payable	2,041	-
Other liability - current portion	147,218	-
	5,724,083	4,819,194
<b>Other liability</b>	239,622	-
	5,963,705	4,819,194
<b>Shareholders' Deficit</b>		
Share capital	3,465,548	3,465,548
Other equity - Stock options	1,907,584	1,770,093
Contributed surplus	11,337,796	11,337,796
Deficit	(4,033,559)	(2,646,399)
	12,677,369	13,927,038
	18,641,074	18,746,232



## Consolidated Statements of Changes in Shareholders' Deficit

	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	-	-	-	-	(4,545,036)	(4,545,036)
Stock-based compensation	-	-	355,208	5,653	-	360,861
<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 loss	-	-	-	-	(1,387,160)	(1,387,160)
Stock-based compensation	-	-	137,491	-	-	137,491
<b>Balance - October 31, 2010</b>	69,994,300	3,465,548	1,907,584	11,337,796	(4,033,559)	12,677,369



## Consolidated Statements of Loss and Comprehensive Loss

Years ended October 31

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>REVENUES</b>		
Network sales	34,453,216	37,909,574
Other revenue	5,888,000	6,815,130
	<u>40,341,216</u>	<u>44,724,704</u>
<b>VARIABLE COSTS</b>		
Cost of goods sold (excluding amortization)	7,729,873	7,996,599
Sales incentives - Network	16,444,572	20,241,290
Other variable costs	3,654,375	4,154,662
	<u>12,512,396</u>	<u>12,332,153</u>
<b>Margin before expenses</b>		
<b>Expenses</b>		
Administrative	6,403,627	6,516,487
Marketing and Selling	4,400,073	5,096,634
Quality and Development costs	1,182,394	946,790
Amortization	1,193,102	1,079,729
Impairment on other assets	-	736,000
Restructuring charges	749,794	437,805
Stock-based compensation	137,491	360,861
(Gain) loss on foreign exchange	(59,015)	29,082
	<u>14,007,466</u>	<u>15,203,388</u>
<b>Loss from continuing operations before income taxes</b>	(1,495,070)	(2,871,235)
<b>Income taxes (Recovery)</b>		
Current	98,180	39,789
Future	(425,711)	(236,677)
<b>Loss from continued operations</b>	(1,167,539)	(2,674,347)
Loss from discontinued operations	(219,621)	(1,870,689)
<b>Net loss and comprehensive loss</b>	(1,387,160)	(4,545,036)
<b>Basic and diluted net loss per share</b>		
Continuing operations	(0.017)	(0.038)
Discontinued operations	(0.003)	(0.027)
<b>Total basic and diluted net loss per share</b>	(0.020)	(0.065)
<b>Weighted average number of common shares outstanding during the period</b>		
Basic and diluted	69,994,300	69,994,300



## Consolidated Statement of Cash Flows

Years ended October 31	2010 \$	2009 \$
<b>Operating activities</b>		
Net loss	(1,387,160)	(4,545,036)
Loss from discontinued operations	(219,621)	(1,870,689)
Loss from continuing operations	(1,167,539)	(2,674,347)
Add (deduct) non cash items:		
Amortization of property, plant and equipment	596,468	537,881
Amortization of intangible assets	596,634	541,848
Net loss (gain) on disposal of property, plant and equipment and intangible assets	474	(46,232)
Other receivables	196,954	-
Impairment on other assets	-	736,000
Future income taxes	(425,711)	(236,677)
Stock-based compensation	137,491	360,861
Cash received prior to working capital variation	(65,229)	(780,666)
Net change in non-cash working capital	932,870	73,824
<b>Cash (used) received in operating activities</b>	<b>867,641</b>	<b>(706,842)</b>
<b>Investing activities</b>		
Business acquisition	(570,664)	-
Additions to property, plant and equipment	(195,905)	(873,752)
Additions to intangible assets	(226,752)	(520,211)
Proceeds from disposal of property, plant and equipment	400	524,600
Research and development tax credits	18,536	-
Other receivables	-	(196,954)
<b>Cash used in investing activities</b>	<b>(974,385)</b>	<b>(1,066,317)</b>
<b>Financing activities</b>		
Demand loan	1,000,000	-
<b>Cash received in financing activities</b>	<b>1,000,000</b>	<b>-</b>
Net increase (decrease) in cash from continuing activities	893,256	(1,773,159)
Net (decrease) in cash from discontinued activities		
Operating activities	(219,621)	(1,970,623)
Investing activities	-	(131,851)
	(219,621)	(2,102,474)
<b>Net increase (decrease) in cash during the period</b>	<b>673,635</b>	<b>(3,875,633)</b>
<b>Cash at the beginning of the year</b>	<b>2,262,821</b>	<b>6,138,454</b>
<b>Cash at the end of the year</b>	<b>2,936,456</b>	<b>2,262,821</b>