

ASX ANNOUNCEMENT: APPENDIX 4C

28 January 2016

The Manager
Company Announcements Office
ASX Limited
20 Bridge St
SYDNEY NSW 2000

Dear Sir

APPENDIX 4C

Invion Limited (ASX:IVX) is pleased to lodge its Appendix 4C for the quarter ending 31 December 2015.

The Company held cash reserves of \$2.107 million at the end of December, consistent with forecasts.

In the December quarter, cash outflows relating to operating expenses were \$2 million, with R&D expenditure comprising \$1.2 million of this amount. Operating and R&D cash outflows continue to be significantly reduced from earlier quarters following the completion of major R&D programs across all three drug assets.

In December, the company announced the completion of a share purchase plan to eligible shareholders and a placement to existing professional investors, raising approximately \$2.1 million.

During the quarter, the Company announced data from its phase 2 clinical trial of INV102 (nadolol) in patients with chronic bronchitis or COPD who were trying to quit smoking. The data from the 155 patient study demonstrated that INV102 treated smokers were more likely to stop smoking completely or dramatically reduce the number of cigarettes smoked, and that INV102 is a safe and effective treatment for patients with chronic bronchitis who are enrolled in smoking cessation programs. Data also demonstrated that treatment with INV102 (nadolol) showed a statistically significant effect on biomarker MUC5AC independent of an effect on markers of inflammation.

The Company has since submitted an abstract to the 2016 American Thoracic Society (ATS) annual meeting, and a request to the US Food and Drug Administration (FDA) for an End of Phase 2 (EOP2) meeting, to facilitate the commencement of the phase 3 program for oral INV102. The EOP2 meeting is scheduled to be held by the end of the current quarter (March 2016).

Following the successful completion of major milestones across its four drug development programs during 2015, during the quarter the Board appointed Ferghana Partners Group (New York, London, Boston) to progress various potential opportunities under review. Ferghana's expertise is in acquisitions, divestitures, corporate partnering and financial transactions in the global healthcare sector.

An Appendix 4C accompanies this announcement.

For and on behalf of the Board of Invion Limited

MELANIE FARRIS
Company Secretary and Head of Operations

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001.

Name of entity
INVION LIMITED

ABN
76 094 730 417

Quarter ended ("current quarter")
31-December-2015

Consolidated statement of cash flows

Cash flows related to operating activities

			Current quarter	Year to date
			\$A'000	(6 months) \$A'000
1.1	Receipts from customers		140	140
	Payments for	(a) staff costs	(445)	(834)
		(b) patent costs	(15)	(126)
1.2		(c) research and development	(1,163)	(2,872)
		(d) leased assets	(2)	(4)
		(e) other working capital	(338)	(798)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		-	-
1.5	Interest and other costs of finance paid		(23)	(62)
1.6	Income taxes paid		-	-
1.7	Other	(a) Research & Development tax refund	2,406	2,406
		(b) Other	-	-
Net operating cash flows			560	(2,150)

		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	560	(2,150)
Cash flows related to investing activities			
1.9	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical current assets	-	-
	(e) other non-current assets	-	-
1.10	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other	-	-
Net investing cash flows		-	-
1.14	Total operating and investing cash flows	560	(2,150)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares	2,099	3,100
1.16	Proceeds from shares not yet issued	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	(974)	(974)
1.19	Dividends paid	-	-
1.2	Other Creditors (costs of fund raising)	(67)	(213)
Net financing cash flows		1,058	1,913
Net increase (decrease) in cash held		1,618	(237)
1.21	Cash at beginning of quarter/year to date	498	2,285
1.22	Exchange rate adjustments to item 1.20	(9)	59
1.23	Cash at end of quarter/year to date	2,107	2,107

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2 (a)	273
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments to directors includes directors fees and executive directors salaries.

Separate to the amounts noted at 1.24 above, for the December quarter, approximately \$18,600 in fees were paid or were payable to McCullough Robertson Lawyers. Mr Brett Heading is a Partner at McCullough Robertson Lawyers.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cashflows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-
3.3 Convertible loan facility	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,107	498
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	2,107	498

Acquisitions and disposals of business entities

	Acquisitions	Disposals
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

This statement has been prepared under accounting policies which comply with accounting standards as
1 defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Original signed
(Company Secretary)



Date: 28-January-2016

Print name: Melanie Farris