31 January 2014

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 2013.

The Company held cash reserves of $1.864 million at the end of December. Cash outlfows relating to operating expenses ($1.451 million) were slightly higher than the previous quarter ($1.406 million). Net operating cashflows for the quarter were +$0.54 million, largely as a result of the receipt of R&D Tax Incentive funds of approximately $1.46 million.

During the quarter, the Company announced the in-licence of INV104 (zafirlukast) which will be developed as an inhaled non-steroidal, anti-inflammatory treatment for asthma, complementing Invion's existing INV102 asset - also targeted as a therapy for asthma and COPD.

Invion's pipeline consists of three drug assets targeting inflammation in respiratory and autoimmune disease. Invion has three phase II clinical trials underway including its study of INV102 in asthma patients which is funded by the US National Institutes of Health in excess of USD$4 million.

An Appendix 4C accompanies this announcement.

For and on behalf of the Board of Invion Limited

MELANIE FARRIS
Company Secretary

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-2013

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from customers		1	9
	Payments for	(a) staff costs	(373)	(845)
		(b) patent costs	(109)	(169)
1.2		(c) research and development	(476)	(924)
		(d) leased assets	(2)	(5)
		(e) other working capital	(489)	(936)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		26	42
1.5	Interest and other costs of finance paid		(0)	(0)
1.6	Income taxes paid		(2)	(2)
1.7	Other	(a) Research & Development tax refund	1,477	1,477
		(b) Other	1	1
	Net operating cash flows		54	(1,352)

			Current quarter $A'000	Year to date (6 months) $A'000
1.8	Net operating cash flows (carried forward)		54	(1,352)
	Cash flows related to investing activities			
1.9	Payment for acquisition of:	(a) businesses	-	-
		(b) equity investments	-	-
		(c) intellectual property	-	-
		(d) physical current assets	-	-
		(e) other non-current assets	60	60
1.10	Proceeds from disposal of:	(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		60	60
1.14	**Total operating and investing cash flows**		114	(1,292)
	Cash flows related to financing activities			
1.15	Proceeds from issues of shares		-	114
1.16	Proceeds from shares not yet issued		-	-
1.17	Proceeds from borrowings		-	-
1.18	Repayment of borrowings		-	-
1.19	Dividends paid		-	-
1.2	Other Creditors (costs of fund raising)		-	(9)
	Net financing cash flows		-	105
	Net increase (decrease) in cash held		114	(1,187)
1.21	Cash at beginning of quarter/year to date		1,732	3,029
1.22	Exchange rate adjustments		18	22
1.23	**Cash at end of quarter/year to date**		**1,864**	**1,864**

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)	205
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, salaries and other payments, to executive directors.

Separate to the amounts noted at 1.24 above, for the December quarter, approximately $84,326 in fees were paid and/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	1,864	1,732
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	1,864	1,732

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

1 This statement has been prepared under accounting policies which comply with accounting standards as 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: 31-January-2014

Print name: Melanie Farris