28 April 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 March 2014.

The Company held cash reserves of $5.173 million at the end of March. Cash outflows relating to operating expenses ($1.6 million) were slightly higher than the previous quarter ($1.4 million). Net operating cash outflows for the quarter were approximately $1.3 million, further to operating receipts of approximately $0.3 million.

During the quarter, the Company announced its collaboration with 3M Drug Delivery Systems for the development of its inhaled respiratory drug franchise. Invion's agreement with 3M is to assess the feasibility of inhaled versions of its two respiratory drug assets - INV102 (nadolol) and INV104 (zafirlukast) - delivered using 3M's proprietary pressurized metered dose inhalation (pMDI) technology.

Also during the quarter, the Company announced the successful completion of a $5 million private placement to institutional and sophisticated investors; and on 28 March, the Company completed a Rights Issue Entitlement Offer which raised $0.89 million from existing eligible shareholders.

Invion is a life sciences group focussed on the development of treatments for major opportunities in respiratory disease and autoimmune disease. The Group has three drug assets in development, and three phase II clinical trials, regulated by the Food & Drug Administration (FDA), currently underway in the United States.

INV102 (nadolol) a beta blocker (beta adrenergic inverse agonist) currently used to treat high blood pressure and migraine, is being repurposed to treat chronic inflammatory airway diseases, including asthma and chronic obstructive pulmonary disease (COPD).

INV104 (zafirlukast) is a leukotriene receptor antagonist (LTRA) that reduces inflammation, constriction of the airways, and the build-up of mucus in the lungs.

INV103 (ala-Cpn10) is a modified, naturally occurring human protein which has been proposed as a founding member of the Resolution Associated Molecular Pattern (RAMPs) family hypothesised to maintain and restore immune homeostasis.

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	Quarter ended ("current quarter")
76 094 730 417	31-March-2014

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from customers		209	218
	Payments for	(a) staff costs	(535)	(1,380)
		(b) patent costs	(106)	(275)
1.2		(c) research and development	(445)	(1,369)
		(d) leased assets	(3)	(8)
		(e) other working capital	(513)	(1,449)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		7	49
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		0	(2)
1.7	Other	(a) Research & Development tax refund	-	1,477
		(b) Other	98	99
	Net operating cash flows		(1,288)	(2,640)

			Current quarter $A'000	Year to date (9 months) $A'000
1.8	Net operating cash flows (carried forward)		(1,288)	(2,640)
	Cash flows related to investing activities			
1.9	Payment for acquisition of:	(a) businesses	-	-
		(b) equity investments	-	-
		(c) intellectual property	-	-
		(d) physical current assets	(18)	(18)
		(e) other non-current assets	1	61
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		(17)	43
1.14	**Total operating and investing cash flows**		(1,305)	(2,597)
	Cash flows related to financing activities			
1.15	Proceeds from issues of shares		5,000	5,114
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)		(386)	(395)
	Net financing cash flows		4,614	4,719
	Net increase (decrease) in cash held		3,309	2,122
1.21	Cash at beginning of quarter/year to date		1,829	3,029
1.22	Exchange rate adjustments		35	22
1.23	**Cash at end of quarter/year to date**		**5,173**	**5,173**

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)	264
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 non-executive director fees and executive director salaries and other payments.

Separate to the amounts noted at 1.24 above, for the March quarter, approximately $68,592 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	5,173	1,864
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	5,173	1,864

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: 28-April-2014

Print name: Melanie Farris