

21 October 2011

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

Dear Sir,

**CBIO LIMITED LETTER TO SHAREHOLDERS**

CBio Limited wishes to advise that it has sent a letter to all shareholders concerning the upcoming General Meeting, to be held on November 4.

The Company has not been permitted to release the letter over the ASX Company Announcement's Platform. The letter can be viewed in full at the CBio Limited website- [www.cbio.com.au](http://www.cbio.com.au)

The letter addresses the concerns of the Board in relation to the proposed directors. It also corrects a number of false and/or misleading statements which have been made by the group of requisitioning shareholders. Shareholders are asked to read and carefully consider the letter.

The Board of Directors wishes to express very clearly to shareholders that all existing directors would find it untenable to work alongside any of the proposed directors and that should any of the proposed directors be voted into place, each and every existing non-executive director will resign with immediate effect.

For and on behalf of the Board of CBio Limited.



**BEN GRAHAM**  
Company Secretary

**About CBio Limited**

CBio is an Australian ASX listed company established in 2000. CBio's lead product XToll® is a potential new-generation drug therapy which could provide safer and more effective treatment of autoimmune diseases such as rheumatoid arthritis (RA). Global sales of RA therapies exceeded US\$17 billion in 2008. Novo Nordisk A/S, a top 20 global pharmaceutical company and world-leader in diabetes care, has an exclusive option to enter into a licence agreement for the intellectual property rights relating to XToll®. XToll® has been trialled in over 330 patients with no pattern of treatment-emergent serious adverse effects. The company's largest clinical trial to date completed in Q2 2011. CBio's Board includes internationally experienced drug developers including Dr Goran Ando, Vice-Chairman Novo Nordisk A/S (formerly president of R&D at Pharmacia/Pfizer and R&D director of

Glaxo Group, UK); Dr Thomas Lönngren (former Executive Director of the European Medicines Agency), Dr Terje Kalland, Chief Scientific Officer of Karolinska Development (formerly Senior-Vice President Biopharmaceuticals Research Unit- Novo Nordisk and Head of Oncology Research, Pharmacia); Dr Peter Corr, Founder and co-General Partner of Celtic Therapeutics (formerly Senior Vice-President for Science and Technology at Pfizer and Chairman of the Board of Governors, New York Academy of Sciences); and Professor John Funder, AO, Professor of Medicine at Monash University, Senior Fellow at Prince Henry's Institute of Medical Research (formerly Director of the Baker Institute, 1990-2001).

#### **About Rheumatoid Arthritis**

Rheumatoid Arthritis is a chronic autoimmune disease, mainly characterised by inflammation of the lining of the joints. It can lead to long-term joint damage, resulting in chronic pain, loss of function and disability. The effects of RA are systemic, which means it can affect other organs in the body, and cardiovascular dysfunction in addition to RA is common. RA symptoms can make even the simplest activities – such as opening a jar or taking a walk – difficult to manage. RA has a worldwide distribution with a prevalence of 1 to 2% – which currently equates to approximately 100 million people. Prevalence increases with age, approaching 5% in women over age 55. RA is two to three times more common in women than in men and generally occurs between the ages of 40 and 60, but it can also affect young children and older adults. Currently, there is no cure.

#### **COMPANY & INVESTOR RELATIONS**

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#### **MEDIA LIAISON**

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