

23 July 2012

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

Dear Sir

APPENDIX 4C

CBio Limited (ASX:CBZ) is pleased to lodge its Appendix 4C for the quarter ending 30 June 2012.

The Company held cash reserves of \$4.186 million at the end of June. Cash outflows during the quarter relating to operating expenses (\$1.457 million) were lower than the previous quarter (\$1.526 million) and below the average quarterly cash outflows (\$2.6 million) for the financial year.

During the quarter, the Board undertook further restructuring of the company's activities in order to manage the company's financial position and maximise operational efficiencies. This resulted in the redundancy of nine staff positions. Scientific activities directed to drug formulation and elucidating the mechanism of action of Cpn10 continued during the quarter.

The June quarter saw the completion by the Board of the strategic review of the company and, subsequent to the end of the quarter, the announcement on 2 July of the proposed merger with Inverseon Inc.

Subject to shareholder approval, the merger will create a clinical-stage company that targets new anti-inflammatory therapies for a range of diseases. The merged company, to be known as Invion Limited, will progress studies on CBio's Cpn10 asset in Systemic Lupus Erythematosus (SLE or lupus).

An Appendix 4C accompanies this announcement.

For and on behalf of the Board of CBio 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

CBio Limited

ABN

76 094 730 417

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.1	Receipts from customers	16	162
	Payments for		
	(a) staff costs	(857)	(5,325)
	(b) patent costs	(143)	(493)
1.2	(c) research and development	(16)	(1,394)
	(d) leased assets	(3)	(57)
	(e) other working capital	(603)	(3,416)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	46	233
1.5	Interest and other costs of finance paid	-	(253)
1.6	Income taxes paid	-	-
1.7	Other-		
	(a) reimbursement of product cost	325	325
	(b) cost of making good	(222)	(222)
Net operating cash flows		(1,457)	(10,440)

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	(1,457)	(10,440)
Cash flows related to investing activities			
Payment for acquisition of:			
	(a) businesses	-	-
	(b) equity investments	-	-
1.9	(c) intellectual property	-	-
	(d) physical non-current assets	(148)	-
	(e) other non-current assets	-	(20)
Proceeds from disposal of:			
	(a) businesses	-	-
	(b) equity investments	-	-
1.10	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	50	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other	-	-
Net investing cash flows		(98)	(20)
1.14	Total operating and investing cash flows	(1,555)	(10,460)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares	-	13,268
1.16	Proceeds from shares not yet issued	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	(2,000)
1.19	Dividends paid	-	-
1.2	Other Creditors (costs of fund raising)	-	(433)
Net financing cash flows		-	10,835
Net increase (decrease) in cash held		(1,555)	375
1.21	Cash at beginning of quarter/year to date	5,741	3,909
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	4,186	4,284

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)	99
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

N/A

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 cash flows

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	4,186	5,741
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	4,186	5,741

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 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:


Company Secretary

Date: 23 July 2012

Print name: Melanie Farris