

26 February 2014

INVION ANNOUNCES RIGHTS ISSUE TO RAISE \$2M

SUBSEQUENT TO COMPLETION OF \$5M PLACEMENT TO INSTITUTIONAL AND SOPHISTICATED INVESTORS

On 21 February, Invion Limited (**Invion**) announced a placement to institutional and professional investors to raise approximately AU\$5 million (**Institutional Placement**).

As foreshadowed in that announcement, Invion is now proceeding with a 1 for 20 non-renounceable entitlement offer of fully paid ordinary shares in Invion (**New Shares**) to raise approximately AU\$2 million (**Entitlement Offer**).

Invion is seeking to raise total funds of approximately AU\$7 million under both the Institutional Placement and the Entitlement Offer (**Equity Raising**).

The offer price for the Entitlement Offer will be \$0.075 per share (**Offer Price**), the same offer price as shares issued under the Institutional Placement.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in Invion for every 20 existing shares held at 7.00pm (AEDT) on Thursday, 6 March, 2014 (**Record Date**) at the Offer Price (**Entitlements**).

Patersons Securities Limited ACN 008 896 311 and Morgans Corporate Limited ABN 32 010 539 607 have been appointed as joint lead managers for the Equity Raising (**JLMs**).

Funds raised from the placement and rights issue will be applied to the collaboration with 3M Drug Delivery Systems to develop Invion's inhaled respiratory drugs franchise, and continuing development of Invion's three drug assets - INV102 (nadolol), INV103 (ala-Cpn10) and INV104 (zafirlukast), as well as for general working capital.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value in respect of those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of the Entitlements they would have received had they been eligible.

Up to 26,468,823 new ordinary shares in Invion will be issued as part of the Entitlement Offer.

All Shares issued under the Equity Raising will rank equally with existing shares.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders, subject to any scale-back that the directors may determine to implement in their absolute discretion. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

The Directors also reserve the right, subject to the requirements of the Listing Rules and the *Corporations Act 2001* (Cth), to place any shortfall shares remaining after the close of the Entitlement Offer (and completion of the top up facility, if any), including those Entitlements of ineligible shareholders which were unable to be taken up under the Entitlement Offer, within 3 months after the closing date of the Entitlement Offer to either existing or new Shareholders at their discretion at a price not less than the Offer Price of New Shares under the Entitlements Offer.

Invion will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will receive a retail information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Key dates

Event	Date
Announcement of Institutional Placement	Friday, 21 February 2014
Announcement of Entitlement Offer	Wednesday, 26 February 2014
Settlement of the Institutional Placement	Wednesday, 26 February 2014
Allotment and trading of new shares issued under the Institutional Placement	Thursday, 27 February 2014
'Ex' date	Friday, 28 February 2014
Record Date for determining Entitlements 7.00pm (AEDT)	Thursday, 6 March 2014
Dispatch of Entitlement Offer information booklet to shareholders	Monday, 10 March 2014
Entitlement Offer opens	Tuesday, 11 March 2014
Entitlement Offer closes	Tuesday, 25 March 2014
New Shares quoted on a deferred settlement basis	Wednesday, 26 March 2014
Invion notifies ASX of under subscriptions	Friday, 28 March 2014
Allotment of New Shares under the Entitlement Offer	Wednesday, 2 April 2014
Normal trading of New Shares under the Entitlement Offer commences	Thursday, 3 April 2014
Despatch of holding statements in respect of New Shares issued under the Entitlement Offer.	Thursday, 3 April 2014

This Timetable is indicative only. The Directors may vary these dates, in consultation with the JLMs, subject to the Listing Rules. An extension of the closing date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

For further information, please contact the Entitlement Offer Information Line on 1300 910 051 (inside Australia) or +61 1300 910 051 (outside Australia), or contact the Company at investor@inviongroup.com.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.