

CBio Limited

ABN 76 094 730 417

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

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Corporate Directory

Directors

Mr. Stephen Jones	Executive Chairman
Dr. Peter Corr	Non-executive director
Dr. Göran Ando	Non-executive director
Prof. John Funder	Non-executive director
Dr. Michael Monsour	Non-executive director
Mr. Stephen Streeter	Non-executive director
Mr. Jason Yeates	Managing director & Chief Executive Officer
Dr. Dennis Feeney	Executive director & President of Global Development and Licensing

Company Secretary

Mr. Ben Graham

Registered and Principal Office

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Eight Mile Plains
Qld 4113

Contact Information

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Auditors

Ernst & Young
1 Eagle Street
Brisbane Qld 4000

Share Registry & Register

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Tel: 1300 554 474
Fax: (02) 9287 0303

Chairman's Letter to Shareholders

Dear Shareholder,

I am pleased to report to you that CBio has made significant progress, both commercially and scientifically, in the year under review, highlighted by the agreement signed with Novo Nordisk A/S and the commencement of a 150-patient Phase IIa clinical trial in rheumatoid arthritis (RA).

The terms of the agreement with Novo Nordisk, both financial and otherwise, remain confidential and will not be released. This agreement with a leading global pharmaceutical company demonstrates that CBio holds a potentially very valuable intellectual property asset in XToll®. This compound may well be a significant therapeutic in the treatment of rheumatoid arthritis and potentially other autoimmune diseases, if proven in future development studies to be both efficacious and safe.

I am pleased to advise that your Company has made significant progress in the XToll® program.

In May this year the Company commenced a 150 patient Phase IIa clinical trial in rheumatoid arthritis. This is CBio's first subcutaneous clinical trial in patients with RA, and follows from the intravenous dosing clinical trial completed in 2006. This clinical trial is the largest undertaken by CBio to date. Some of the clinical trial sites and patients in this clinical trial were involved in our previous clinical studies.

To preserve the scientific integrity of the trial, we will not be 'un-blinding' the data during the trial, or reporting any interim or anecdotal results. It is likely therefore, that we will not know the results of this trial until late 2009, after all patients have completed dosing.

It is important for shareholders to note that this trial is not optimal as a Phase IIa trial by the standards of drug development. The trial does not address critical issues such dose ranging and optimisation and should ideally include a 4th arm. However the Company did not have the money or resources or access to sufficient drug to complete an additional arm so a less than optimal protocol was adopted as choices had to be made.

However notwithstanding the above the trial has the capacity to generate sufficient valid data to enable the drug to be taken seriously by big pharma and move on to a larger Phase IIb study. This study (a Phase 11(b)) will not be undertaken by CBio.

In November 2007 CBio completed the final of six toxicology studies to support the Phase IIa RA clinical trial. These studies, which were successfully completed in two species, were completed to appropriate regulatory standards.

CBio continues its enhancement of its IP portfolio with its science-driven IP program. The Company filed a significant number of new patents in the year strengthening its IP position around its core technology.

It is pleasing to report that during the year, the company has made significant progress in relation to 'next generation' compounds which will follow XToll®. The research being undertaken by CBio's scientific staff is world-class, and two compounds have so far been identified which may be candidates for clinical trials in the future. Whilst all attention has been on XToll®, it is certainly the intention of the Board that CBio develops a pipeline of new technologies upon which the business will be based.

Chairman's Letter to Shareholders

During the year CBio announced the reporting of results from the Psoriasis clinical trial in the international medical journal "Archives of Dermatology". The research letter that was published recognised the therapeutic benefits of XToll® in patients with moderate to severe plaque psoriasis.

The year also saw significant changes to the composition of your Board with the appointments of Dr Göran Ando, Dr Peter Corr and Professor John Funder. The appointment of these internationally renowned and recognised experts in the field of drug development, research and commercialisation provides CBio with international drug development experience and credibility.

Is the company now fully funded? Will the company pay dividends to shareholders? Will CBio receive up front payments from Novo Nordisk? What Royalty will the company receive? These are all questions raised by shareholders over the past few months.

In short, yes, we have signed an agreement with Novo Nordisk, but no, that does not guarantee the future success of the company nor does it mean instant riches for shareholders. Success in the current clinical trial is critical to CBio realizing the value in its XToll® intellectual property asset.

Any discussion on royalties or dividends is premature until and if, we reach the point of definitive success in the clinical trial currently in progress.

Securing the requisite level of funding needs for the current development program, in what is a very unstable and difficult financial market, remains the most significant challenge for CBio. CBio continued to receive great support from both existing and new shareholders who participated during the year in private equity placements as well as placements through an Information Memorandum. A number of shareholders also supported the Company through the taking up of convertible notes. The company also disposed of its entire share holding in Viralytics Ltd during the year to help meet working capital requirements. Fundraising initiatives are ongoing to address the needs of your Company.

Overseas Institutions have been largely reticent in participating in any of CBio's funding rounds because of the "tyranny of distance" or the terms proposed by them so diluting as to be unacceptable to the Board.

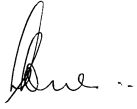
The Company's Executive has been heavily distracted with capital raising activities this year and will continue to be so in the coming year. The Company has organised itself to fill the operational holes created by this necessary distraction.

Because of lack of monies staff retention has been difficult. This has been dealt with by the reset of the exercise price of employee share options in order to retain staff and incumbent Directors as well as issuing options to new directors to induce them to join the Board.

The Directors, management and staff have continued to trade the Company, in spite of the critical financial position of the Company because of the profound and well held belief in the company's XToll® compound when any view of the balance sheet and financial standing of the Company would indicate otherwise. The transaction with Novo Nordisk A/S has been instrumental in the willingness to persevere.

Chairman's Letter to Shareholders

There is a detailed Review of Operations from page 5 of the Directors Report which sets out the activities of the company over the past year which I encourage you all to read.



Stephen Jones
Executive Chairman

Director's Report

Your directors present their report for the financial year ended 30 June 2008

DIRECTORS

The names of the directors of the company in office as at the date of this report are as below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Mr. Stephen Jones	Executive Chairman
Dr. Peter Corr	Non-executive director (appointed 30 October 2007)
Dr. Göran Ando	Non-executive director (appointed 5 October 2007)
Prof. John Funder	Non-executive director (appointed 5 October 2007)
Dr. Michael Monsour	Non-executive director
Mr. Stephen Streeter	Non-executive director
Mr. Jason Yeates	Managing director & Chief Executive Officer (appointed 5 October 2007)
Dr. Dennis Feeney	Executive director & President of Global Development & Licensing (appointed 5 October 2007)

PRINCIPAL ACTIVITIES

The principal activities during the year of the company were research, product development and clinical trials of the therapeutic drug XToll™ (Cpn10).

OPERATING RESULTS AND DIVIDENDS

The loss after tax of the company for the year ended 30 June 2008 was \$21,015,237 (2007:\$ 9,425,836 (loss)). A proportion of the loss was non cash in nature and comprised the expensing of Options

No dividend was proposed or paid.

REVIEW OF OPERATIONS

The Company has made significant progress during the year on its ongoing development program of XToll®.

CBio commenced a Phase IIa clinical trial in rheumatoid arthritis (RA) patients across numerous sites in Australia and New Zealand. This is the largest trial the Company has undertaken and continues to consume most of the resources of the Company.

The Company completed a comprehensive toxicology program during the year, which involved studies in two species in specialist laboratories in Australia and the United States. These studies have shown no adverse toxicology findings and were required to support not only the 150-patient RA clinical trial currently underway, but also to support the eventual registration of XToll® with regulatory authorities both within Australia and abroad.

CBio continued to strengthen its intellectual property position with its robust, science-driven, intellectual property program. A significant number of new patents were filed on CBio's innate immune modulation technology in all major markets.

To support the pre-clinical, clinical and IP programs CBio engaged its contract manufacturing organisation for production of XToll® to meet the program needs. The results of the Psoriasis clinical trial were published in the international medical journal "Archives of Dermatology".

CBio was involved in discussions with both a specialist US-based medical fund and a European-based pharmaceutical company during the year concerning the commercialisation of XToll®. Both the medical fund and

Director's Report

pharmaceutical company engaged in lengthy and detailed due diligence, with both entities presenting transaction proposals to the CBio board for its consideration.

After negotiations with both parties, CBio executed an agreement with Novo Nordisk A/S in May in connection with its Cpn10 intellectual property. USD\$2 million was received by the company in relation to this agreement subsequent to the balance date. The details of the agreement with Novo Nordisk A/S remain confidential and will not be disclosed.

Significant changes to the composition of the CBio Board occurred during the period, with the appointment of five new directors. Dr Göran Ando, Professor John Funder, Dr Dennis Feeney and Mr. Jason Yeates (Managing Director) joined the Board on 5 October 2007, while Dr Peter Corr was appointed a director on 30 October 2007.

The appointments of the non-Executive directors' Dr Corr, Dr Ando and Professor Funder, give the CBio Board international drug development experience and credibility and provides skill sets that significantly strengthen the Board and which the Company has lacked in the past.

The biographies of each director can be found on page 8 of the Directors Report.

Capital raising initiatives have been ongoing throughout the year and have continued subsequent to the balance date. CBio has not been immune to the effects of the financial turmoil which have taken place and continue to affect domestic and international equity markets, a situation which has made capital raising more difficult than has previously been faced by the Company.

A total of \$12.64 million of funds has been raised during and subsequent to year end

USD \$ 2 million was paid by Novo Nordisk in connection with the agreement signed with that Company. Accounting Standards imposed require these monies be treated as unearned income. Though there is no basis for those funds to be repaid to Novo Nordisk the funds have nevertheless been so treated.

\$3.7 million was raised through the issue of fifty one convertible notes during the year, with all but one note converted to equity prior to the balance date. 6,523,446 new shares were issued on conversion of these notes to equity.

A further \$4.6 million was raised through share issues during the year, including private placements and an Information Memorandum. Capital raising via the Information Memorandum has continued subsequent to the balance date, with a further \$1.04 million being raised.

During the year, the Company acquired an additional investment in the listed entity Viralytics Limited in exchange for the issue of 77,267 CBio shares. The Company subsequently sold its entire holding of Viralytics shares during the year for cash consideration of \$1,406,097.

Further details on the movement in issued capital during the year can be found at Note 16 in the Financial Statements.

The Company also received \$1.3 million during the year in grant funding. \$1.2m was received under the Commonwealth Government's Pharmaceutical Partnerships Program (P3), with the balance from an Export Market Development Grant. CBio will receive further funding under the P3 program in the 2009 financial year.

Director's Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

All significant changes in the state of affairs of the parent entity that occurred during the financial year are discussed in the Review of Operations section of this report.

SHARE OPTIONS

Unissued Shares

As at the date of this report, there were 15,602,057 unissued ordinary shares under options (13,662,257 at the reporting date). Refer to the remuneration report for further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate.

Shares Issued as a Result of the Exercise of Options

During the financial year, no options were exercised by employees or executives.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the balance date, the company received USD\$2 million (AUD\$2,077,706) from Novo Nordisk A/S in connection with the agreement signed with the company in relation the Cpn10 intellectual property asset. This amount was recorded as unearned income and as a current receivable as at 30 June 2008.

The Company has received \$0.6 million in P3 grant funding subsequent to the balance date.

The Company paid \$10,000 to Australian Technology Innovation Fund Limited subsequent to the balance date, representing a partial repayment of funds loaned to CBio. The balance of the loan outstanding subsequent to this payment is \$40,000. Australian Technology Innovation Fund Limited is a company associated with Mr Stephen Jones, Mr Stephen Streeter and Dr Michael Monsour.

The Company has continued to raise new capital subsequent to the balance date. A total of \$1,040,000 has been raised at \$1 per share and 1,040,000 new shares have been issued or are due to be issued subsequent to the balance date.

The Company entered into a Share Purchase Agreement with an existing CBio shareholder whereby the shareholder has committed to acquiring 500,000 shares at \$1 per share, in tranches of 100,000 shares, at any time prior to 30 April 2009. The first 100,000 share tranche was completed in early September.

Interest payable to a convertible note holder on their convertible note was converted to equity subsequent to the balance date. \$89,315 in interest payable was converted to 107,170 new shares.

The Company issued 1,939,800 options to employees and executive directors subsequent to the balance date. The options have an exercise price of \$1.00, have various vesting periods and have an expiry date of 31 December 2012.

Director's Report

FUTURE DEVELOPMENTS

The likely developments in the operations of the Company and the expected results from those operations in future financial years are as follows:

- completion of a 150-patient Phase IIa clinical trial in Rheumatoid Arthritis
- further research into the understanding of the mode of action of Cpn10
- further activities supporting and strengthening CBio's IP position
- further commercialisation and licensing discussions and capital raising initiatives

ENVIRONMENTAL ISSUES

The Company's operations are not subject to significant environmental regulation under the law of the Commonwealth or State.

CORPORATE STRUCTURE

The consolidated entity as at 30 June 2008 consists solely of CBio Limited. As CBio Limited controlled another entity during the 2007 financial year, both consolidated and parent accounts are presented for ease of comparison.

DIRECTORS QUALIFICATIONS AND EXPERIENCE

Mr Stephen Jones, Executive Chairman (appointed 11 October 2000)

Stephen Jones is one of the founding Directors of CBio and was appointed its chairman in 2000. Stephen Jones has extensive hands-on management experience in financially challenged companies. He has been mainly involved in corporate recovery and reconstruction – including International Card Systems Australia Limited, a credit card provider; Greyhound Pioneer Australia Limited (Transport and Tourism); and Bresagen Limited (Biotechnology). He has been involved with several public capital raisings totalling in excess of \$100,000,000 and was a Director of Fortune Advanced Technologies Pty Ltd, Retirewise Capital Australia Ltd, Ingot Capital Management Pty Ltd, and other funds management and venture capital companies. He has served on the Boards of several listed public companies including Greyhound Pioneer Australia Limited, Analytica Limited, Psiron Limited and BresaGen Limited, and is a director of Australian Technology Innovation Fund Limited and InJet Digital Aerosols Limited. His personal bio may be found in Who's Who in Australia 2007 edition.

Mr Jones is also a member of the Audit Committee.

Dr. Peter Corr, Non-executive director (appointed 30 October 2007)

Dr. Peter Corr retired from Pfizer Inc in 2007, where he served as Senior Vice President, Science & Technology. Previously, he was Executive Vice President, Pfizer Global Research & Development, and President, Worldwide Development. Prior, Dr. Corr was President of Pharmaceutical Research and Development at Warner Lambert/Parke Davis until the merger with Pfizer) and he previously served as Senior Vice President, Discovery Research, at Monsanto/Searle.

Dr Corr is General Partner, Celtic Therapeutics Management Company L.L.L.P., a private equity firm focused on the development of innovative therapeutics, alliances that advance solutions for diseases of the developing world, and global advocacy for biomedical innovation. He has also spent 18 years as a researcher in molecular biology and pharmacology at Washington University in St. Louis, where he was Professor of Medicine

Director's Report

Cardiology) and Professor of Pharmacology and Molecular Biology. His research has been published in more than 160 scientific manuscripts.

Dr. Corr serves on the Board of Governors of the New York Academy of Sciences (immediate past Chairman), the Board of Regents of Georgetown University, and several other non-profit and for-profit boards. He also is a member of the Institute Of Medicine's Forum on Drug Discovery, Development, and Translation.

Dr Göran Ando, Non-executive director (appointed 5 October 2007)

Dr Göran Ando qualified as a medical doctor and a specialist in general medicine from Linköping Medical University, Sweden. He is a founding fellow of the American College of Rheumatology in the USA.

From 1989 to 1995 Dr Ando was medical Director and later R&D Director of Glaxo Group, UK. From 1995 to 2003 he was Executive Vice President and then President of R&D with Pharmacia (Pfizer) and from 2003 to 2004 CEO of Celltech Group plc, UK. Dr Ando serves as Chairman of the Boards of Novexel S.A. and Inion Oy; Vice Chairman of the Boards of Novo Nordisk A/S and S*Bio Pty; and as a member of the Boards of Novo A/S, NicOx S.A. and Enzon Pharmaceuticals, Inc. Dr Ando is also a Senior Advisor to Essex Woodlands Health Ventures UK Ltd.

Dr Ando is also a member of CBio's Scientific Advisory Board.

Professor John Funder, AO, Non-executive director (appointed 5 October 2007)

Professor John Funder, AO, was Director of the Baker Institute from 1990-2001, and is currently Professor of Medicine at Monash University, Senior Fellow at Prince Henry's Institute of Medical Research, a Professorial Associate at the Centre for Neuroscience at the University of Melbourne and a Professor of Medicine at the Institute for Molecular Biosciences, University of Queensland. Professor Funder has worked for forty years in endocrinology, with particular interests in steroid hormones and receptors, and in hormonal mechanisms in hypertension and heart failure.

He has been a member of advisory panels, including PIIP and P3, for the Commonwealth Government, and has had a number of roles in Victoria, including chairing the Victorian Health Promotion Foundation and the Hospitals Admission Risk Program (HARP). He maintains an active research program, with collaborations in Melbourne, Sydney, San Francisco, St. Louis and Toronto, and acts as a consultant for a number of international pharmaceutical firms in the US, Europe, Japan and Australia.

Professor Funder is also a member of CBio's Scientific Advisory Board.

Dr Michael Monsour, Non-executive director (appointed 31 January 2007)

Dr Michael Monsour is a medical practitioner with business interests in Queensland medical centres. He operates a medical management company that provides management support to medical practitioners and is also one of Australia's leading providers of software systems for Occupational Health and Safety and Medical Accounting. Dr Michael Monsour is the chairman of Analytica Limited and Injet Digital Aerosols Limited. Dr Michael Monsour is also a board member of the Australian Technology Innovation Fund Limited and Australia Biofund Investment Limited (Hong Kong).

Director's Report

Mr Stephen Streeter, Non-executive director (appointed 25 November 2005)

Stephen Streeter is an Institutional Stockbroker with eighteen years of experience. He has been a Director - Head of Sales for a number of Broking firms over this period, including James Capel Australia, E L & C Baillieu, CIBC Wold Markets and ABN Amro Australia. Mr Streeter currently holds the position of Executive Director Equities, Novus Capital and is also a non-executive Director of Australian Technology Innovation Fund Limited. Mr Streeter has had extensive exposure to ECM, Equity Capital markets, and has built a very strong client base in this area.

Mr Jason Yeates, Managing director & Chief Executive Officer (appointed 5 October 2007)

Jason Yeates joined CBio as Chief Financial Officer in 2004 and soon afterwards assumed the role of Chief Operating Officer. He was appointed Managing Director and Chief Executive Officer in 2007.

Mr Yeates has forged the Company's transition from an R & D company to a development company, and has overseen its associated growth. His diverse range of skills has been acquired through experience in mergers and acquisitions, fundraising, commercialisation, sales and marketing and business management. He has worked in a number of industries in senior financial, commercial and company secretarial roles. Mr Yeates has significant international business experience in Europe and Asia. He held the position of Asia-Pacific Finance Director with MCI Limited during the Company's successful expansion into Asia as well as the position of Asia-Pacific Finance Director of Asia Global Crossing Limited.

Mr Yeates is also a member of the Audit Committee.

Dr Dennis Feeney, Executive director & President Global Development & Licensing (appointed 5 October 2007)

Dr Dennis Feeney has worked for over fifteen years in senior management roles of international pharmaceutical industry companies including Sandoz, Marion Merrell Dow and Pharmacia. During this period, Dr Feeney has held key corporate functional responsibilities for all phases of clinical research (Phase I to Phase IV), regulatory affairs, health economics and medical services at domestic, regional and international levels. He has served as a member of the Executive Board of Management and corporate officer at Pharmacia. Dr Feeney has held responsibilities for strategic marketing and sales; human resource management; financial planning and accountability, and legal and corporate affairs.

Dr Feeney joined CBio as Chief Scientific Officer in 2003 and was appointed President of Global Development and Licensing in 2006. Dr Feeney is also a member of CBio's Scientific Advisory Board.

COMPANY SECRETARY

Mr Ben Graham (appointed 8 August 2007)

Ben Graham commenced with CBio in 2005 and was appointed Company Secretary in 2007. Ben is an Accountant with seven years experience in senior financial positions in the medical device and bio-pharmaceutical industries. Ben is experienced in the administration of both listed and non-listed public companies and is a specialist in financial and corporate compliance matters with particular emphasis on emerging and early commercialisation-stage companies.

Director's Report

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

<u>Directors' Meetings</u>	<u>Number eligible to attend</u>	<u>Number attended</u>
Mr Stephen Jones	7	7
Dr Peter Corr (i)	4	4
Dr Göran Ando (ii)	4	4
Prof. John Funder (ii)	4	4
Dr Michael Monsour	7	7
Mr Stephen Streeter	7	6
Mr Jason Yeates (ii)	4	4
Dr Dennis Feeney (ii)	4	4

(i) Appointed a director 30 October 2007

(ii) Appointed a director 5 October 2007

Due to the size of the Board, each director is invited to participate in all matters of the Company, including audit, remuneration, compliance, finance and treasury issues, however defined committee members are in place. An Audit Committee was formed subsequent to the balance date and has met once since formation.

REMUNERATION REPORT (Audited)

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration. The names and positions held of consolidated group and parent entity key management personnel in office at any time during the financial year are:

Mr Stephen Jones	Executive Chairman
Dr Peter Corr	Non-executive director (appointed 30 October 2007)
Dr Göran Ando	Non-executive director (appointed 5 October 2007)
Prof. John Funder	Non-executive director (appointed 5 October 2007)
Dr Michael Monsour	Non-executive director
Mr Stephen Streeter	Non-executive director
Mr Jason Yeates	Managing director and Chief Executive Officer (appointed 5 October 2007)
Dr Dennis Feeney	Executive director and President of Global Development & Licensing (appointed 5 October 2007)
Mr James Greig	Chief Financial Officer

Director's Report

Remuneration Policy

The Company's policy is to compensate non-executive directors and senior executives at a level that provides the Company with the ability to attract and retain directors and executives with the experience and qualification appropriate to the development strategy of the Company's Intellectual Property, whilst incurring a cost that is acceptable to shareholders.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is determined by the company in accordance with its constitution and associated approvals. Directors' fees are reviewed annually. Executive directors are paid a fixed salary per annum and do not receive directors fees.

The Chairman is currently paid fees of \$14,000 per annum. Non-executive directors receive directors fees of \$50,000 per annum. 9% statutory superannuation is payable on all fees where applicable. Consulting fees are paid on normal commercial terms. There are no amounts payable on termination other than accrued statutory entitlements. All directors are entitled to participate in the Director Share Option Plan. Directors are not appointed under any fixed term contract, and under the constitution of the company remain a director until their resignation or removal from office.

The Managing Director, Mr Jason Yeates is appointed under a contract of employment with the Company. The Managing Director is on a fixed salary of \$300,000 per annum plus statutory superannuation. There are no benefits payable on termination other than accrued statutory entitlements. The Managing Director is entitled to participate in the Director Share Option Plan.

Dr Dennis Feeney, executive director and President of Global Development & Licensing, is employed under a service agreement with the company. Dr Feeney is paid consulting fees of \$280,000 per annum. There are no benefits payable on termination other than accrued statutory entitlements. Dr Feeney is eligible to participate in the Director Share Option Plan.

Compensation received by executive and non-executive directors is not linked to the performance of the Company. However, to align director's interests with shareholder interests, directors are encouraged to hold shares in the company and are able to participate in the Director Share Option Plan.

Key Management Personnel Remuneration policy

The remuneration structure for key management personnel is based on a number of factors, including length of service and the particular experience of the individual concerned. The contracts of service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement.

The Chief Financial Officer, Mr James Greig, is employed under a contract of employment with the Company. Mr Greig is paid a salary of \$220,000 per annum plus statutory superannuation. There are no benefits payable on termination other than accrued statutory entitlements. The Chief Financial Officer is entitled to participate in the Executive Share Option Plan.

No short term incentives are provided by the Company. Additional remuneration is provided to key management personnel through share options. Options are issued at the discretion of the Board to continue development of the Company's research to an end financial realisation and subsequent benefit to employees by increasing share price above option strike prices. Mr Jason Yeates, Dr Dennis Feeney and Mr James Greig were each issued 500,000 options during the period which vest on receipt of the final clinical study report from the current 150-

Director's Report

patient Phase IIa RA clinical trial. There are no other performance hurdles to be met prior to any other options vesting except for the continued general movement forward in the Company's research. CBio has no policy on employees and Directors hedging their economic risk on options.

Directors Remuneration

	Short-Term		Post Employment	Termination	Share-Based	Total
	Salary & Fees	Other	Superannuation	Benefit	Payment Value of Options	
2008	\$	\$	\$	\$	\$	\$
S Jones	339,389	-	1,260	-	-	340,649
P Corr (i)(v)	-	-	-	-	370,000	370,000
G Ando (ii)(v)	50,000	-	-	-	259,000	309,000
J Funder (ii)(v)	50,000	-	-	-	351,500	401,500
M Monsour	78,800	-	4,500	-	370,000	453,300
S Streeter	77,096	-	-	-	-	77,096
J Yeates (ii)	250,000	-	22,500	-	71,154	343,654
D Feeney (ii)	265,000	-	-	-	71,154	336,154
	1,110,285	-	28,260	-	1,492,808	2,631,353
2007						
S Jones	209,010	-	1,260	-	-	210,270
M Monsour	20,833	-	22,708	-	-	43,541
S Streeter	81,151	-	-	-	-	81,151
J Yeates (ii)	222,673	-	20,816	-	-	243,489
D Feeney (ii)	228,319	-	-	-	-	228,319
B Dulhunty (iii)	10,833	6,000	975	-	-	17,808
W Hanisch (iv)	50,258	-	105,113	299,750	-	455,121
A Gearing (iv)	72,829	-	6,266	-	459,000	538,095
	895,906	6,000	157,138	299,750	459,000	1,817,794

- i. Appointed 30 October 2007
- ii. Appointed 5 October 2007
- iii. Resigned 31 January 2007
- iv. Resigned 16 November 2006
- v. Share options issued prior to appointment as a director.

No percentage of Director remuneration was at risk.

Director's Report

Executive Remuneration

	Short-Term		Post Employ- ment	Termi- nation enefit	Share Based Payment	Total
	Salary & Fees	Other	Superannu- ation		Value of Options	
2008	\$	\$	\$	\$	\$	\$
J Greig	150,152	-	13,500	-	71,154	234,806
	150,152	-	13,500	-	71,154	234,806
2007						
J Greig	93,888	-	8,450	-	15,840	118,178
B Johnson (i)	53,311	-	51,946	-	-	105,257
	147,199	-	60,396	-	15,840	223,435

i. Resigned 28 February 2007

No percentage of executive remuneration was at risk.

Remuneration and CBio Limited Performance

No percentage of remuneration in 2008 nor 2007 was performance related. Remuneration is not linked to financial performance as CBio is in research and development. Relative movements in Basic EPS and Net tangible assets per share for the last four years presents as follows:

	2005	2006	2007	2008
Earnings/(Loss) Per Share (cents per share)	(40.51)	(51.93)	(61.74)	(73.44)
Net tangible assets per share (cents per share)	9.27	19.28	2.70	(8.52)

Options issued as part of remuneration for the year ended 30 June 2008

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to increase goal congruence between executives, directors and shareholders.

Director's Report

Options Granted As Remuneration

30 June 2008

Terms & Conditions for Each Grant

Key Management Personnel	No. Vested During Year	No. Granted During Year	Grant Dates	Value per Option at Grant Date	Exercise Price	First Exercise Date	Expiry Date
P Corr (ii)	1,000,000	1,000,000	13.09.2007	\$0.37	\$1.00	13.09.2007	31.12.2012
G Ando (ii)	700,000	700,000	13.09.2007	\$0.37	\$1.00	13.09.2007	31.12.2012
J Funder	950,000	950,000	13.09.2007	\$0.37	\$1.00	13.09.2007	31.12.2012
M Monsour	1,000,000	1,000,000	13.09.2007	\$0.37	\$1.00	13.09.2007	31.12.2012
D Feeney	-	500,000	13.09.2007	\$0.37	\$1.00	(i)	31.12.2012
J Yeates	-	500,000	13.09.2007	\$0.37	\$1.00	(i)	31.12.2012
J Greig	-	500,000	13.09.2007	\$0.37	\$1.00	(i)	31.12.2012
	3,650,000	5,150,000					

(i) Options vest upon the delivery of the final clinical study report from the current 150-patient Phase IIa RA clinical trial. These options are not expected to vest prior to 30 June 2009.

(ii) Options issued prior to commencement as a director as an incentive to become a director.

30 June 2007

There were no options granted as remuneration to Key Management Personnel in the year ended 30 June 2007.

Total Number of Options held by Key Management Personnel

2008

Key Management Person	Balance 1.7.07	Remuneration Options Granted	Acquired/ (Disposed)	Balance 30.6.08	Total Vested 30.6.08	Total Exercisable 30.6.08	Total Unexercisable 30.6.08
S Jones	300,000	-	-	300,000	300,000	300,000	-
P Corr	-	1,000,000	-	1,000,000	1,000,000	1,000,000	-
G Ando	300,000	700,000	-	1,000,000	1,000,000	1,000,000	-
J Funder	50,000	950,000	-	1,000,000	1,000,000	1,000,000	-
M Monsour	500,000	1,000,000	-	1,500,000	1,500,000	1,500,000	-
S Streeter	1,300,000	-	-	1,300,000	1,300,000	1,300,000	-
J Yeates	1,000,000	500,000	-	1,500,000	1,000,000	1,000,000	500,000
D Feeney	1,000,000	500,000	-	1,500,000	1,000,000	1,000,000	500,000
J Greig	35,200	500,000	-	535,200	23,232	23,232	511,968

Director's Report

2007

Key Management Person	Balance 1.7.06	Remuneration Options Granted	Acquired/ (Disposed)	Balance 30.6.07	Total Vested 30.6.07	Total Exercisable 30.6.07	Total Unexercisable 30.6.07
S Jones	800,000	-	(500,000)	300,000	300,000	300,000	-
S Streeter	1,300,000	-	-	1,300,000	1,300,000	1,300,000	-
M Monsour	-	-	500,000	500,000	500,000	500,000	-
B Dulhunty	700,000	-	-	700,000	600,000	600,000	100,000
W Hanisch	800,000	-	-	800,000	800,000	800,000	-
A Gearing	50,000	-	-	50,000	50,000	50,000	-
J Yeates	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
D Feeney	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
J Greig	35,200	-	-	35,200	11,616	11,616	23,584
B Johnson	350,000	-	-	350,000	350,000	350,000	-

INDEMNITY

In accordance with the constitution of CBio Limited:

Every Director, Secretary, Manager, Accountant, Trustee or other person employed in the business of the Company shall be indemnified by the company against, and it shall be the duty of the directors out of the funds of the company to pay, all costs, losses and expenses for which any such Director, Secretary, Manager, Accountant, Trustee or other person as aforesaid may become liable by reason of any contract entered into or act or deed done by him as such Director, Secretary, Manager, Accountant, Trustee or servant in any way in the proper discharge of his duties, unless such costs, losses and expenses shall be caused or contributed to by his own negligence, default, breach of duty or breach of trust. CBio Limited has appropriate directors and officers insurance. A premium was paid in the period, however details of this premium are confidential.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Director's Report

NON-AUDIT SERVICES

During the year, the Company's auditors have performed a number of non-audit services. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The details of the services provided and their costs are as follows:-

Income Tax Return preparation including R&D tax concession	\$	17,496
General advice on taxation and compliance matters	\$	20,580
P3 Grant Audit	\$	3,000
Total	\$	<u>41,076</u>

AUDITOR'S INDEPENDENCE DECLARATION

A statement of independence has been provided by our auditors, Ernst & Young, and is included in the attached financial report.

Signed in accordance with a resolution of directors



Mr Stephen Jones
Executive Chairman

Date: 15 October 2008

Corporate Governance

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the governance of the Company. Whilst CBio itself is not listed on a stock exchange the Board strongly agrees with the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council and strives to meet the standard expected on a publicly traded entity. The directors are however realistic in acknowledging the size and nature of CBio and have modified where they deem applicable the best practice standards as laid down by the ASX. The Best Practice Recommendations not adopted or specific comments thereon are as follows:

ROLE OF THE BOARD AND MANAGEMENT

The Board is responsible for the Corporate Governance of the Company including the setting and the monitoring of the objectives, goals and corporate direction. Due to the size of the Company, there are no formal statements as to the delegated authority of management, however the Board closely interacts with management and has established adequate systems of internal control, assesses, monitors and manages business risk, and ensures adherence to appropriate ethical standards.

STRUCTURE OF THE BOARD

Directors' qualifications and experience are outlined in the Directors' Report.

The size and structure of the Board was enhanced significantly during the year with the appointment of a number of independent directors. The majority of the Board are now considered to be independent. The Executive Chairman, by virtue of his executive role, is not considered to be independent. As the company grows and the valuation of the company's intellectual property increases it is expected greater levels of independence will be achieved.

Due to the size of the Company, it is not considered necessary to maintain a Nomination Committee. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board considers candidates with the appropriate expertise and experience. The Board then appoints the most suitable person.

Each director has the right to seek independent professional advice regarding material matters concerning the Company at the company's expense after notifying the Chairman.

ETHICAL AND RESPONSIBLE DECISION MAKING

The Company does not have a formal code of conduct however it recognises the need for directors and employees to observe the highest standards of behaviour and business ethics. Directors and officers are expected to act in accordance with the law and with the highest standards of propriety.

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

An Audit Committee was formed subsequent to the balance date. Mr. Stephen Jones, Mr. Jason Yeates and Mr. James Greig are members of the Audit Committee. The functions of the Audit Committee include the establishment and maintenance of the framework of internal control and appropriate ethical standards for the management of the economic entity.

Corporate Governance

TIMELY AND BALANCED DISCLOSURE

The Board, through the production of shareholder newsletters, the maintenance of a web site, the distribution of the annual report to all shareholders, and the holding of an annual shareholders meeting where shareholders are encouraged to participate, strives to keep shareholders appropriately informed of developments within the Company in a cost effective manner.

SHAREHOLDERS RIGHTS

The Company does not have a formal shareholder communications strategy. However, the Board is conscious of the importance of effective shareholder communication and makes use of its corporate website, periodic shareholder newsletters and requests that the external Auditor attends Annual General Meetings.

RECOGNISE AND MANAGE RISK

No formal Risk Management profiles, policies and procedures have been adopted. However, the Board meets on a regular basis and as part of the ongoing review of performance, current and possible future business risks are identified. Once a business risk is identified, appropriate action is planned and instigated by the Board. The results of the action plan are constantly reviewed and corrective action is taken as required.

Due to the size of the company, an Internal Audit function has not been implemented.

The Managing Director and Chief Financial Officer report to the Board on the integrity of financial statements and the effectiveness of internal compliance and control systems.

REMUNERATION

Directors' and Senior Executive Emoluments are outlined in Note 23 Key Management Personnel.

Due to the size of the Company a Remuneration Committee has not been established. The Board determines the remuneration packages for Executive directors and senior employees. Remuneration levels are competitively set to attract and retain the most qualified and experienced directors and senior employees. Remuneration packages currently paid include fixed, performance-based and equity based components.

The Board sets the remuneration of the Executive and Non-Executive Directors. The only retirement benefits payable to Non-Executive directors are statutory superannuation payments.

Income Statement

For the year ended 30 June 2008

	Note	Consolidated Group		Parent Entity	
Continuing Operations		2008 \$	2007 \$	2008 \$	2007 \$
Income from continuing operations	2	1,212,850	1,817,576	1,212,850	6,747,544
Borrowing costs expense	3	(135,709)	(109)	(135,709)	(109)
Administration expenses	4	(10,466,335)	(6,141,385)	(10,466,335)	(6,141,385)
Research and development		(9,574,774)	(10,706,179)	(9,574,774)	(10,706,179)
Loss on disposal of available for sale assets		(532,143)	-	(532,143)	
Patent costs		(744,972)	(529,502)	(744,972)	(529,502)
Marketing expenses		(774,154)	(471,040)	(774,154)	(471,040)
Loss before income tax		(21,015,237)	(16,030,639)	(21,015,237)	(11,100,671)
Income tax expense	6	-	-	-	-
Loss from continuing operations after income tax expense		(21,015,237)	(16,030,639)	(21,015,237)	(11,100,671)
Discontinued Operations					
Profit/(Loss) from discontinued operations after income tax	7	-	6,444,497	-	-
Loss for the period		(21,015,237)	(9,586,142)	(21,015,237)	(11,100,671)
Loss attributable to minority equity interest	7	-	160,306	-	-
Loss attributable to members of the parent entity	19	(21,015,237)	(9,425,836)	(21,015,237)	(11,100,671)
Basic/Diluted (loss) per share (cents per share) – continuing operations	20	(73.44)	(61.74)	-	-
Basic/Diluted (loss)/earnings per share (cents per share) – attributable to the members of the company	20	(73.44)	(36.30)	-	-

The accompanying notes form part of these financial statements

Balance Sheet

As at 30 June 2008

	Note	Consolidated Group		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Current assets					
Cash and cash equivalents	21(a)	36,367	155,708	36,367	155,708
Trade and other receivables	8 (a)	2,301,490	851,846	2,301,490	851,846
Financial Assets	5	-	1,585,129	-	1,585,129
Other current assets	9	55,970	56,346	55,970	56,346
Total current assets		2,393,827	2,649,029	2,393,827	2,649,029
Non-Current Assets					
Property, plant and equipment	10	662,691	911,239	662,691	911,239
Trade and other receivables	8 (b)	181,597	175,462	181,597	175,462
Intangible assets	11	-	-	-	-
Total Non-Current Assets		844,288	1,086,701	844,288	1,086,701
Total Assets		3,238,115	3,735,730	3,238,115	3,735,730
Current Liabilities					
Trade and other payables	12	3,946,121	2,651,814	3,946,121	2,651,814
Financial liabilities	13	272,887	200,000	272,887	200,000
Short-term provisions	14(a)	119,209	148,828	119,209	148,828
Total current liabilities		4,338,217	3,000,642	4,338,217	3,000,642
Non-Current Liabilities					
Long-term provisions	14(b)	39,079	19,809	39,079	19,809
Unearned income	15	2,086,158	-	2,086,158	-
Total Non-Current Liabilities		2,125,237	19,809	2,125,237	19,809
Total Liabilities		6,463,454	3,020,451	6,463,454	3,020,451
Net Assets/(Liabilities)		(3,225,339)	715,279	(3,225,339)	715,279
Equity					
Issued Capital	16	45,306,148	36,838,670	45,306,148	36,838,670
Reserves	18	14,101,394	5,494,253	14,101,394	5,494,253
Accumulated Losses	19	(62,632,881)	(41,617,644)	(62,632,881)	(41,617,644)
Total Equity/(Deficiency)		(3,225,339)	715,279	(3,225,339)	715,279

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2008

CONSOLIDATED	Issued Capital	Accumulated Losses	Reserves	Total	Minority Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2006	31,026,008	(32,191,808)	3,671,597	2,505,797	2,328,448	4,834,245
Cost of share issue	(108,000)	-	-	(108,000)	-	(108,000)
Cost of share based payment	-	-	2,111,402	2,111,402	-	2,111,402
Issue of share capital	5,644,129	-	-	5,644,129	-	5,644,129
Conversion of options	276,533	-	-	276,533	-	276,533
Disposal of controlled entity	-	-	(288,746)	(288,746)	(2,168,142)	(2,456,888)
Loss for year	-	(9,425,836)	-	(9,425,836)	(160,306)	(9,586,142)
Balance at 30 June 2007	36,838,670	(41,617,644)	5,494,253	715,279	-	715,279
Balance at 1 July 2007	36,838,670	(41,617,644)	5,494,253	715,279	-	715,279
Cost of share issue	(225,848)	-	-	(225,848)	-	(225,848)
Cost of share based payment	-	-	8,607,141	8,607,141	-	8,607,141
Issue of share capital	8,693,326	-	-	8,693,326	-	8,693,326
Loss for year	-	(21,015,237)	-	(21,015,237)	-	(21,015,237)
Balance at 30 June 2008	45,306,148	(62,632,881)	14,101,394	(3,225,339)	-	(3,225,339)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2008

PARENT ENTITY	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2006	31,026,008	(30,516,973)	3,382,851	3,891,886
Cost of share issue	(108,000)	-	-	(108,000)
Cost of share based payment	-	-	2,111,402	2,111,402
Issue of share capital	5,644,129	-	-	5,644,129
Conversion of options	276,533	-	-	276,533
Loss for year	-	(11,100,671)	-	(11,100,671)
Balance at 30 June 2007	36,838,670	(41,617,644)	5,494,253	715,279
Balance at 1 July 2007	36,838,670	(41,617,644)	5,494,253	715,279
Cost of share issue	(225,848)	-	-	(225,848)
Cost of share based payment	-	-	8,607,141	8,607,141
Issue of share capital	8,693,326	-	-	8,693,326
Loss for year	-	(21,015,237)	-	(21,015,237)
Balance at 30 June 2008	45,306,148	(62,632,881)	14,101,394	(3,225,339)

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the year ended 30 June 2008

	Note	Consolidated Group		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash flows from operating activities					
Payments to suppliers & employees		(11,423,335)	(14,028,621)	(11,423,335)	(13,835,015)
Grant income received		1,378,632	1,422,392	1,378,632	1,422,392
Cash receipts in the course of operations		135,421	265,076	135,421	244,681
Interest received		79,744	145,309	79,744	143,526
Interest paid		(30,333)	(59,806)	(30,333)	(109)
Net cash flows used in operating activities	21(b)	(9,859,871)	(12,255,650)	(9,859,871)	(12,024,525)
Cash flows from investing activities					
Purchase of property, plant & equipment		(25,187)	(302,707)	(25,187)	(302,707)
Proceeds from sale of investments		1,406,097	7,766,219	1,401,097	7,766,219
Proceeds from receipt of financial asset		94,000	1,600,000	94,000	1,600,000
Bank guarantee deposit		(11,136)	(5,929)	(6,136)	(5,929)
Cash disposed on disposal of controlled entity	21(c)	-	(284,027)	-	-
Loan to related entity		-	(1,684,000)	-	(1,684,000)
Net cash flows used in investing activities		1,463,774	7,089,556	1,463,774	7,373,583
Cash flows from financing activities					
Proceeds from issue of shares		4,660,215	3,999,001	4,660,215	3,999,001
Proceeds from issue of convertible note		3,580,000	600,000	3,580,000	-
Proceeds from borrowings		79,541	200,000	79,541	200,000
Payments of share issue costs		(53,000)	(108,000)	(53,000)	(108,000)
Proceeds from shares not yet issued		10,000	-	10,000	-
Proceeds from conversion of options		-	276,533	-	276,533
Repayment of borrowings		-	(65,534)	-	-
Loan to controlled entity		-	-	-	200,000
Net cash flows from financing activities		8,276,756	4,902,000	8,276,756	4,567,534
Net increase/(decrease) in cash held		(119,341)	(264,094)	(119,341)	(83,408)
Cash at the beginning of the financial year		155,708	419,802	155,708	239,116
Closing at end of financial year	21(a)	36,367	155,708	36,367	155,708

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General

(i) Statement of Compliance

This financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Financial report covers the consolidated group of CBio Limited and its controlled entities and CBio Limited as an individual parent entity. CBio Limited is an un-listed public Company, incorporated and domiciled in Australia.

The Financial report of CBio Limited and its controlled entities, and CBio Limited as an individual parent entity, complies with all Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. As at 30 June 2008 there were no Australian Equivalents to International Accounting Standards or applicable pronouncements issued and not yet effective that would impact the financial results or position of the group.

Currently issued accounting standards and interpretations impact only the disclosure of information in the notes to the financial statements.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(ii) Corporate Information

CBio Limited is a public Company limited by shares incorporated in Australia. The shares of CBio Limited are not traded on a recognised public stock exchange. The nature of the operations and principal activities of the Company are described in Note 26.

b) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention. Cost in relation to assets represents the cash amount paid or the fair value of the assets given in exchange.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standards and interpretations issued by the Australian Accounting Standards Board.

CBio Limited and its controlled entities have adopted AASB 7 *Financial Instruments: Disclosures* and all consequential amendments which became applicable on 1 January 2007. The adoption of this standard has only affected the disclosure in these financial statements. There has been no affect on profit and loss or the financial position of the group.

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Basis of Consolidation

The consolidated financial statements comprise only the financial statements of CBio Limited. CBio is required to prepare consolidated financial statements inline with the requirements of *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*, in relation to the disposal of its controlling interest in BresaGen Limited in August 2006. Consolidated financial statements will not be required in future reporting periods unless CBio acquires a controlling interest in a subsidiary company. The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. All inter-Company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which CBio has control.

d) Going Concern

The report has been prepared on a going concern basis. The Company incurred an operating loss after income tax of \$21,015,237 (2007: \$9,425,836) for the year ended 30 June 2008. At 30 June 2008 the Company has net current liabilities of \$1,944,390 and an excess of liabilities over total assets of \$3,255,339. These conditions give rise to significant uncertainty as to whether the Company will be able to continue as a going concern and be able to pay its debts as and when they fall due.

The directors believe that the going concern basis is appropriate due to a strong history of capital raising, current capital raising initiatives in place and the positive clinical results to date. The success of future capital raising for CBio Limited will depend on the Company achieving positive results in the future clinical trials.

CBio's ongoing research & development program will require additional funding to be raised over the next 12 months. The directors have already commenced raising these funds and have raised \$4.66 million in cash from sophisticated investors during the year and a further \$3.78 million through the issue of convertible notes in the period, of which \$3.68 million have been converted to equity. Fundraising initiatives are ongoing, with a further \$1.04 million being raised and 1.04 million new shares being issued or are due to be issued since the balance date. The Company also continues to receive funding as part of its P3 grant and has received \$0.6 million in grant funding subsequent to the balance date.

Additionally CBio has signed an agreement with Novo Nordisk A/S in connection with its Cpn10 asset. USD\$2 million was received by the company in relation to this agreement subsequent to the balance date. This amount was recorded as unearned income at 30 June 2008. This agreement also provides for the receipt of future funds on the achievement of set milestones.

Should CBio not receive future funds, it may not be able to continue as a going concern and pay its debts as and when they fall due. Accordingly, the Company may be required to realise assets and extinguish liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. This report does not include any adjustments relating to the recoverability

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should CBio not be able to continue as a going concern.

e) Property, Plant and Equipment

Plant and equipment is stated at cost less depreciation and impairment in value.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

	2008	2007
Buildings	4%	4%
Plant and equipment	10%-50%	10%-50%
Computer equipment	20%-50%	20%-50%
Furniture and fittings	10%-20%	10%-20%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

Any gains or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amounts of the item) is included in the income statement in the period the item is derecognised.

f) Acquisition of Assets

All assets acquired including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market prices at the date of acquisition are used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value.

g) Recoverable Amount of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred. Terms of receivables are between 30 and 45 days.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

i) Intangible Assets

Intellectual Property

Amounts incurred in acquiring and extending patents are expensed as incurred, except to the extent that such costs are expected beyond any reasonable doubt to be recoverable.

j) Research and Development Expenditure

Amounts incurred on research and development activities are expensed as incurred, except to the extent that such development costs are expected beyond any reasonable doubt to be recoverable.

k) Income Taxes

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward or unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax asset and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

l) Other Taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense as applicable; or
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

m) Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at the lower of cost and net realisable value.

For the purpose of the Cash Flow Statement, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is charged as an expense on an accrual basis.

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

For investments that are actively traded in organized financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

o) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

- Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.
- Fee income derived from research & development contracts is recognised when specific milestones are achieved and the consolidated entity becomes entitled to the income under the terms of the relevant contract.
- Contract research income is recognised as and when the relevant research expenditure is incurred. When the consolidated entity received income in advance of incurring the relevant expenditure, it is treated as deferred income as the consolidated entity does not control the income until the relevant expenditure has been incurred.
- License fees are recognised evenly over the life of the license.

p) Foreign Currency

The functional and presentation currency of CBio is Australian Dollars.

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rate of exchange ruling on that date.

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account in the statement of financial performance as exchange gains or losses, in the financial year in which the exchange rates change.

q) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

r) Issued Capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

s) Leased Assets

Leases under which the consolidated entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Payments made under operating leases are expensed on a straight line basis over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern on benefits to be derived from the leased property.

t) Superannuation

Contributions are made to approved employee superannuation funds at the rate of 9% of employees' gross salaries as directed by the Superannuation Guarantee Legislation. Contributions are recognised as an expense against income as they are made.

u) Employee Benefits

Provisions are recognised when CBio has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When CBio expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Wages, Salaries and Annual Leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date, including related on-costs, such as workers compensation insurance and payroll tax.

Long Service Leave

The amount provided for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made in connection with employees' services provided up to reporting date. The provision is calculated using expected wage and salary rates, including related on-costs and expected settlement dates are based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

v) Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

w) Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are de-recognised and as well as through the amortisation process.

x) Non Interest-Bearing Loans and Borrowings

Borrowings

Long-term non-interest bearing financial liabilities are discounted to their present value, based on the prevailing market rate, in the year the loans are received and the discount taken to the income statement. Each year a notional interest expense is charged against the income statement to accrue the loan to the face value payable in the future.

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Convertible Notes

The component of the convertible note that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs.

On issuance of the convertible redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

The corresponding equity dividends on those shares are recognised as a distribution. Interest on the liability component of the instruments is recognised as an expense in profit or loss.

Transaction costs are apportioned between the liability and equity components of the convertible non-cumulative redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

y) Use and Revision of Accounting Estimates

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

z) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement for borrowings, finance charges in respect of finance leases and foreign exchange differences.

Interest payments in respect of financial instruments classified as liabilities are included in borrowing costs.

Ancillary costs incurred in connection with the arrangement of borrowings are netted against the relevant borrowings and amortised over their life.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which necessarily takes a substantial period of time to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for acquisition, construction or production of a qualifying asset, the capitalised amount of the borrowing costs include costs incurred in relation to that borrowing net of any interest

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

aa) Earnings Per Share

Basic earnings per share ('EPS') is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company outstanding during the year.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares outstanding during the year.

As the Company and consolidated entity incurred a loss for the current and previous year, potential ordinary shares, being options to acquire ordinary shares, are considered non-dilutive and therefore not included in the diluted earnings per share calculation.

bb) Share-Based Payment Transactions

The Company provides benefits to employees (including directors) of the Company and to selected contractors in the form of share based payment transactions, whereby participants render services in exchange for shares or rights over shares ('equity-settled transactions').

There are currently four plans in place to provide these benefits, a Director Share Option Plan, Executive Share Option Plan, Employee Share Option Plan and an Other Share Option Plan. The costs of the equity settled transactions with participants are measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes option-pricing model.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of CBio Limited ('market conditions').

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Notes to the Financial Statements

For the year ended 30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
2. REVENUE				
Government grants (i)	1,159,818	1,549,166	1,159,818	1,549,166
Interest Received	12,833	209,367	12,833	209,367
Sale of investments	-	-	-	4,929,968
Other income	40,199	59,043	40,199	59,043
	1,212,850	1,817,576	1,212,850	6,747,544

(i) There no unfulfilled conditions or contingencies attached to these grants at balance date.

3. BORROWING COSTS EXPENSE

Interest expense on Convertible notes:

Related entities – Note 27	12,423	-	12,423	-
External	119,699	-	119,699	-
Other interest expense	3,587	109	3,587	109
	135,709	109	135,709	109

4. ADMINISTRATION AND EMPLOYEE EXPENSES

Consulting fees	508,918	1,050,259	508,918	1,050,259
Depreciation of non-current assets:				
Leasehold improvements	21,767	20,680	21,767	20,680
Plant & equipment	267,828	297,787	267,828	297,787
Office rental	352,868	206,789	352,868	206,789
Legal & compliance fees	269,671	255,035	269,671	255,035
Insurance	67,568	27,527	67,568	27,527
Share registry costs	21,508	30,594	21,508	30,594
Print, post & stationary	47,387	29,055	47,387	29,055
Utilities	81,052	49,749	81,052	49,749
IT support	33,956	52,172	33,956	52,172
Salaries, wages & fees	995,027	1,256,719	995,027	1,256,719
Superannuation	214,111	298,911	214,111	298,911
Payroll tax	160,631	194,901	160,631	194,901
Employee entitlements	43,285	33,953	43,285	33,953
Travel	137,191	192,912	137,191	192,912
Equity-based compensation (i)	6,845,334	1,702,691	6,845,334	1,702,691
Other	398,233	441,651	398,233	441,651
Total Administration expenses	10,466,335	6,141,385	10,466,335	6,141,385

(i) Includes only amounts related to administrative remuneration. Other equity compensation costs are allocated across other profit and loss captions.

Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
4. ADMINISTRATION AND EMPLOYEE EXPENSES (cont'd)				
Employee Expenses				
Wages and salaries	2,491,088	3,063,321	2,491,088	3,063,321
Superannuation	214,111	298,911	214,111	298,911
Share based payments	8,607,141	2,111,402	8,607,141	2,111,402
Other	613,236	538,978	613,236	538,978
	11,925,576	6,012,612	11,925,576	6,012,612
5. FINANCIAL ASSETS				
Investment in listed entity at fair value	-	1,585,129	-	1,585,129
	-	1,585,129	-	1,585,129

During the period, the Company acquired an additional investment in Viralytics Limited for non cash consideration of \$353,111 to record a total investment of \$1,938,240. This investment was sold for cash consideration of \$1,406,097 to realise a loss of \$532,143.

6. INCOME TAX**Income Statement***Current income tax*

Current income tax benefit	4,093,555	3,826,215	4,093,555	3,826,215
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Deferred income tax

Relating to origination and reversal of temporary differences	(733,134)	(110,285)	(733,134)	(110,285)
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Future income tax benefits (not recognised)/recognised	(3,360,421)	(3,715,930)	(3,360,421)	(3,715,930)
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Income tax expense reported on the income statement	-	-	-	-
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Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
6. INCOME TAX (cont'd)				
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the company's applicable income tax rate is as follows:				
Accounting Profit (Loss) before income tax	(21,015,237)	(9,425,836)	(21,015,237)	(11,100,671)
At the Company's statutory income tax rate of 30%:	(6,304,571)	(2,827,751)	(6,304,571)	(3,330,201)
Non tax deductible/taxable items	2,211,016	(998,464)	2,211,016	(496,014)
Movement in temporary differences not recorded	733,134	110,285	733,134	110,285
Tax assets not recognised	3,360,421	3,715,930	3,360,421	3,715,930
Income tax expense	-	-	-	-
Tax assets (At 30%)				
Domestic tax losses	16,482,520	13,122,099	16,482,520	13,122,099
Temporary differences – including balances in equity	1,966,525	1,233,391	1,966,525	1,233,391
Total unrecorded tax assets	18,449,045	14,355,490	18,449,045	14,355,490

At 30 June 2008 the Company has significant estimated, unconfirmed and unrecouped revenue losses as disclosed above. No future income tax benefit for the tax losses incurred by the company has been recognised as an asset. Because of the complexity of the Company's changing shareholder base and operations, combined with income tax legislation, the amount of the Company's available tax losses as at 30 June 2008 which are available for carry forward use can not be determined with a sufficient degree of probability. Management will undertake a detailed review of the ability to carry forward and use these losses on a needs basis. As a result of this the losses disclosed as available below may not be available in full or part.

The losses disclosed as at 30 June 2008 will only be obtained in future periods if:

- (i) Future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) The conditions for deductibility imposed by tax legislation continue to be complied with; and
- (iii) No changes in tax legislation adversely affect the Company in realising the benefit.

Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
6. INCOME TAX (cont'd)				
Temporary differences				
Capital raising costs	125,900	121,064	125,900	121,064
Patent costs	600,907	446,690	600,907	446,690
Research licence	540,000	585,000	540,000	585,000
Unearned income	625,847	-	625,947	-
Provisions and accruals	73,871	80,637	73,871	80,637
	1,966,525	1,233,391	1,966,525	1,233,391

7. DISCONTINUED OPERATIONS**(a) Details of operations disposed**

On 11 August 2006, the Company sold a 19.95% stake in BresaGen Limited to Hospira Holdings (S.A.) Pty Ltd at 14 cents per share. Effective from this date, CBio no longer held a controlling interest in BresaGen. The Company subsequently accepted an offer from Hospira Holdings (S.A.) Pty Ltd in October 2006 to purchase its remaining 17.1% stake in BresaGen Ltd at 14 cents per share. The total proceeds from the sale of CBio's holding in BresaGen was \$7,766,219. This represents a profit on sale of \$6,699,032.

(b) Financial performance

Results of discontinued operations for the period until disposal:

Revenues		67,711	-	-
Expenses	-	(322,246)	-	-
Loss before income tax	-	(254,535)	-	-
Gain on disposal	-	6,699,032	-	-
Income tax expense	-	-	-	-
Net profit/(loss)	-	6,444,497	-	-
Net loss attributable to minority interest	-	160,306	-	-
Net profit/(loss) attributable to members of CBio Limited	-	6,604,803	-	-

(c) Reconciliation of gain on disposal

Consideration received on sale of investments	-	7,766,219	-	-
Less net assets disposed (i)	-	1,067,187	-	-
Gain on sale of investment	-	6,699,032	-	-

(i) Included in net assets disposed is cash of \$284,027.

Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
8. TRADE & OTHER RECEIVABLES				
(a) Current				
Government grant receivable	103,272	512,086	103,272	512,086
GST receivable	77,554	174,302	77,554	174,302
Related Entity debtors	-	94,000	-	94,000
Non- related entity debtors (i)	2,120,664	71,458	2,120,664	71,458
	2,301,490	851,846	2,301,490	851,846

(i) Includes \$2.09m receivable in relation to the agreement signed with Novo Nordisk A/S.

Terms and conditions

All receivables are non-interest bearing and are usually settled on terms of between 30 and 45 days. Government grants relate to the Pharmaceutical Partnership Program (P3) grant. All receivables are within terms and no amounts are past due or past due and impaired. Credit risk is assessed as low on all receivables as CBio only deals with recognised credit worthy third parties. Credit risk assessments on an individual transaction basis are made by management.

(b) Non-current				
Bank Guarantee Deposit (i)	181,597	175,462	181,597	175,462
	181,597	175,462	181,597	175,462

(i) Guarantee deposit lodged with the Company's bank as support for the building lease of the facility at Eight Mile Plains which was tenanted by the company in April 2005.

9. OTHER CURRENT ASSETS

Prepayments	55,970	56,346	55,970	56,346
	55,970	56,346	55,970	56,346

Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
10. PROPERTY, PLANT & EQUIPMENT				
Total property, plant & equipment				
- At Cost	1,757,141	1,716,102	1,757,141	1,716,102
- Accumulated Depreciation	(1,094,450)	(804,863)	(1,094,450)	(804,863)
Total written down value	662,691	911,239	662,691	911,239
Land & Buildings				
At cost	-	-	-	-
Provision for depreciation	-	-	-	-
	-	-	-	-
Movement in carrying value				
Carrying value at the beginning of the year	-	9,135,522	-	-
- Disposed on disposal of controlled entity	-	(9,135,522)	-	-
- Depreciation	-	-	-	-
Carrying value at the end of the year	-	-	-	-
Leasehold Improvements				
At cost	147,201	141,261	147,201	141,261
Provision for depreciation	(58,390)	(36,623)	(58,390)	(36,623)
	88,811	104,638	88,811	104,638
Movement in carrying value				
Carrying value at the beginning of the year	104,638	116,674	104,638	116,674
- Additions	5,940	8,644	5,940	8,644
- Depreciation	(21,767)	(20,680)	(21,767)	(20,680)
Carrying value at the end of the year	88,811	104,638	88,811	104,638

Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
10. PROPERTY, PLANT & EQUIPMENT (cont'd)				
Plant & Equipment				
At cost	1,609,940	1,574,841	1,609,940	1,574,841
Provision for depreciation	(1,036,060)	(768,240)	(1,036,060)	(768,240)
	573,880	806,601	573,880	806,601
Movement in carrying value				
Carrying value at the beginning of the year	806,601	2,394,803	806,601	810,327
- Additions	35,107	294,063	35,107	294,061
- Disposed on disposal of controlled entity	-	(1,584,478)	-	-
- Depreciation	(267,828)	(297,787)	(267,828)	(297,787)
Carrying value at the end of the year	573,880	806,601	573,880	806,601
11. INTANGIBLE ASSETS				
Intellectual property	4,125,000	4,125,000	4,125,000	4,125,000
Provision for recoverability (i)	(4,125,000)	(4,125,000)	(4,125,000)	(4,125,000)
	-	-	-	-

(i) The Directors have provided against the notional book value of the intellectual property purchased given the risks and uncertainties associated with the continued research and development and ultimate commercialisation of this asset.

12. TRADE & OTHER PAYABLES				
Trade payables	3,457,825	1,855,016	3,457,825	1,855,016
Accrued expenses	288,333	774,354	288,333	774,354
Director and director related entities	189,964	22,444	189,964	22,444
Shares to be allotted	10,000	-	10,000	-
	3,946,121	2,651,814	3,946,121	2,651,814

Terms and conditions of Payables

Trade creditors are non-interest bearing and are normally settled on 30-day terms. Director and director related entity payables are non-interest bearing and are payable for services provided in the ordinary course of operations. Details of payments made to directors are set out in Note 23 Key Management Personnel.

Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
13. FINANCIAL LIABILITIES				
Convertible note (i)	100,000	-	100,000	-
Interest payable on Convertible Notes	105,376	-	105,376	-
Loan liabilities:-				
- Related entity (ii)	50,000	200,000	50,000	200,000
- Other	17,511	-	17,511	-
	272,887	200,000	272,887	200,000

(i) Refer Note 15 (i) Issued Capital for further details

(ii) Refer Note 26 Related Party Transactions for further details.

14. PROVISIONS				
(a) Short-term employment provisions (i)	119,209	148,828	119,209	148,828
(b) Long-term employment provisions (ii)	39,079	19,809	39,079	19,809
	158,288	168,637	158,288	168,637
Movement in carrying value				
At 1 July 2007	168,637	604,558	168,637	133,717
Disposed of in controlled entities	-	(470,741)	-	-
Accrued in the period	191,622	235,640	191,622	235,640
Used in the period	(201,971)	(200,820)	(201,971)	(200,720)
At 30 June 2008	158,288	168,637	158,288	168,637

(i) Short Term Provisions represent the estimated costs in respect of current employment benefits payable to Company employees. The provision for current employment benefits includes accrued annual leave and related on-costs payable on the accrued entitlements. It is expected these costs will be settled by 30 June 2009.

(ii) Long Term Provisions represent the estimated costs in respect of non-current employment benefits payable to Company employees. The provision for non-current employment benefits includes accrued long-service leave and related on-costs payable on the accrued entitlements. Due to the nature of the provision, the company is unable to determine a date by which these costs will be settled, however no costs are expected to be settled prior to 30 June 2009.

15. UNEARNED INCOME				
Unearned income (i)	2,086,158	-	2,086,158	-
	2,086,158	-	2,086,158	-

(i) Unearned income represents the fee payable by Novo Nordisk A/S upon signing the agreement with CBio. The amount will not be recorded as income until the terms contained in the agreement are satisfied.

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 Number	2008 \$	2007 Number	2007 \$
16. ISSUED CAPITAL				
Parent and Consolidated				
Issued and paid up capital				
Ordinary shares fully paid	38,256,269	45,306,148	26,526,143	36,838,670
Movements in shares on issue				
The following share issues were made during the year:				
Beginning of the year	26,526,143	36,838,670	25,066,362	31,026,008
Issued during the period:				
- conversion of convertible notes (i)	6,523,446	3,680,000	-	-
- private placement (ii)	1,550,913	1,081,715	882,800	4,059,000
- information memorandum (iii)	3,578,500	3,578,500	-	-
- in exchange for share capital of Viralytics Limited (iv)	77,267	353,111	351,470	1,585,129
- exercise of \$1 options	-	-	200,000	200,000
- exercise of \$3 options	-	-	25,511	76,533
- less transaction costs	-	(225,848)	-	(108,000)
End of the year	38,256,269	45,306,148	26,526,143	36,838,670

- (i) During the year, the Company issued 51 Convertible Notes at face values of between \$10,000 and \$100,000, raising a total of \$3,780,000. The Notes were able to be converted to equity at prices of between \$0.38 to \$0.83 per share. In the year ending 30 June 2008, 6,523,446 shares were issued on the conversion of 50 Convertible Notes. As at 30 June, 1 Convertible Note with a face value of \$100,000 had not yet been converted to equity.
- (ii) 1,550,913 shares were issued to sophisticated investors in the year ending 30 June 2008 at an average price of \$0.70 per share.
- (iii) 3,578,500 shares were issued during the year via an Information Memorandum at \$1 per share.
- (iv) Refer to Note 5 for further details.

Terms and conditions of ordinary shares

Ordinary shares have the right to receive dividends as declared, and in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets.

Notes to the Financial Statements

For the year ended 30 June 2008

16. ISSUED CAPITAL (cont'd)

Capital Management

The Board controls the capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary share capital and convertible notes and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

The Board effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

There have been no changes in the strategy adopted by the Board to control the capital of the company since the prior year. The gearing ratio's for the year ended 30 June 2008 and 30 June 2007 are as follows:

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
Total borrowings	272,887	200,000	272,887	200,000
Trade and other payables	3,946,121	2,651,814	3,946,121	2,651,814
Less cash and cash equivalents	(36,367)	(155,708)	(36,367)	(155,708)
Net debt	4,182,641	2,696,106	4,182,641	2,696,106
Total equity	(3,255,339)	715,279	(3,255,339)	715,279
Total net debt plus equity	927,302	3,411,385	927,302	3,411,385
Gearing ratio	451%	79%	451%	79%

17. SHARE-BASED PAYMENTS

The following share-based payment arrangements existed as at 30 June 2008:

(a) Director Share Option Plan

9,100,000 share options have been granted to directors to accept ordinary shares at an exercise price of \$1. All options have an expiry date of 31 December 2012. Options are unlisted and those options not exercised within the prescribed period will lapse. Options have no voting or dividend rights. There are no cash settlement alternatives.

During the year, the exercise price for all outstanding Director share options was reset to \$1.00. The expiry date for all outstanding Director share options was reset to 31 December 2012.

Notes to the Financial Statements

For the year ended 30 June 2008

17. SHARE-BASED PAYMENTS (cont'd)

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, director share options issued during the year:

	Number	WAEP	Number	WAEP
	2008	2008	2007	2007
Outstanding at the beginning of the year	2,150,000	\$1.00	2,950,000	\$1.20
Issued during the year	1,000,000	\$1.00	300,000	\$3.00
Expired during the year	-	\$1.00	(300,000)	\$3.00
Reclassified during the year	6,000,000	\$1.00	-	-
Reclassified as Other options during the year	(50,000)	\$1.00	(800,000)	\$1.75
Outstanding at the end of the year	9,100,000	\$1.00	2,150,000	\$1.00

The Director share options outstanding at 30 June 2008 had a weighted average exercise price of \$1.00 and a weighted average contractual life of 4.5 years. Options issued during the period had a fair value of \$0.37.

(b) Executive Share Option Plan

535,200 share options have been granted to executives to accept ordinary shares at an exercise price of \$1. All options have an expiry date of 31 December 2012. Options are unlisted and those options not exercised within the prescribed period will lapse. Options have no voting or dividend rights. There are no cash settlement alternatives.

During the year, the exercise price for all outstanding Executive share options was reset to \$1.00. The expiry date for all outstanding Executive share options was reset to 31 December 2012.

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, executive share options issued during the year:

	Number	WAEP	Number	WAEP
	2008	2008	2007	2007
Outstanding at the beginning of the year	2,035,200	\$1.00	2,350,000	\$1.00
Issued during the year	1,500,000	\$1.00		
Reclassified during the year	-	-	35,200	\$1.00
Reclassified as Director options during the year	(3,000,000)	\$1.00	(350,000)	\$1.00
Outstanding at the end of the year	535,200	\$1.00	2,035,200	\$1.00

The Executive share options outstanding at 30 June 2008 had a weighted average exercise price of \$1.00 and a weighted average contractual life of 4.5 years. Options issued during the period had a fair value of \$0.37.

Notes to the Financial Statements

For the year ended 30 June 2008

17. SHARE-BASED PAYMENTS (cont'd)**(c) Employee Share Option Plan**

772,057 share options have been granted to employees to accept ordinary shares at an exercise price of \$1. All options have an expiry date of 31 December 2012. Options are unlisted and those options not exercised within the prescribed period will lapse. Options have no voting or dividend rights. There are no cash settlement alternatives.

During the year, the exercise price for all outstanding Employee share options was reset to \$1.00. The expiry date for all outstanding Employee share options was reset to 31 December 2012.

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, Employee share options issued during the year:

	Number	WAEP	Number	WAEP
	2008	2008	2007	2007
Outstanding at the beginning of the year	718,730	\$1.07	1,154,583	\$1.11
Issued during the year	200,000	\$1.00	82,997	\$1.00
Reclassified during the year	(25,000)	\$1.00	-	-
Reclassified as Executive options during the year	-	-	(35,200)	\$1.00
Exercised during the year	-	-	(225,511)	\$1.23
Lapsed during the year	(121,673)	\$1.44	(258,139)	\$1.00
Outstanding at the end of the year	772,057	\$1.00	718,730	\$1.07

The Employee share options outstanding at 30 June 2008 had a weighted average exercise price of \$1.00 and a weighted average contractual life of 4.5 years. Options issued during the period had a fair value of \$0.37.

(d) Other Option Plan

3,255,000 share options have been granted to persons who are not directors, executives or employees of the company to accept ordinary shares at an exercise price of between \$1 and \$3. Other options have various expiry dates of no later than 31 December 2012. Options are unlisted and those options not exercised within the prescribed period will lapse. Options have no voting or dividend rights. There are no cash settlement alternatives.

During the year, the exercise price for some, but not all, outstanding Other share options with an exercise price higher than \$2.00 was reset to \$2.00. The expiry date for some, but not all, outstanding Other share options was reset to 31 December 2012.

Notes to the Financial Statements

For the year ended 30 June 2008

17. SHARE-BASED PAYMENTS (cont'd)

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, Other share options issued during the year:

	Number	WAEP	Number	WAEP
	2008	2008	2007	2007
Outstanding at the beginning of the year	3,530,000	\$1.67	2,080,000	\$1.86
Issued during the year	2,650,000	\$1.00	300,000	\$1.00
Reclassified during the year	75,000	\$1.00	1,150,000	\$1.52
Reclassified during the year	(3,000,000)	\$1.00	-	-
Outstanding at the end of the year	3,255,000	\$1.59	3,530,000	\$1.67

The Other share options outstanding at 30 June 2008 had a weighted average exercise price of \$1.59 and a weighted average contractual life of 4.5 years. Options issued during the period had a fair value of \$0.37.

(e) Other Information

The following inputs were applied to the option pricing model:

Weighted average exercise price	\$1.14
Weighted average life of the option	4.5 years
Underlying share price	\$1.00
Expected share price volatility	50 %
Risk free interest rate	7.38 %

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

As at 30 June 2008 there were a total of 13,662,257 (2007: 8,433,930) unissued ordinary shares for which options were outstanding. At 30 June 2008 there were 11,845,003 exercisable options at an average of \$1.16.

	Consolidated		CBio Limited	
18. RESERVES	2008	2007	2008	2007
	\$	\$	\$	\$
Share options reserve				
Balance at 1 July	5,494,253	3,382,851	5,494,253	3,382,851
Share-based payment expense	8,607,141	2,111,402	8,607,141	2,111,402
Balance at 30 June	14,101,394	5,494,253	14,101,394	5,494,253

Nature and purpose of share option reserve

The share option reserve records items recognised as an expense with respect to share-based consideration. Movements in reserves can be seen in the Statement of Changes in Equity.

Notes to the Financial Statements

For the year ended 30 June 2008

	Consolidated		CBio Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
19. ACCUMULATED LOSSES				
Accumulated losses at the beginning of the year	(41,617,644)	(32,191,808)	(41,617,644)	(30,516,973)
Net loss attributable to members of CBio Limited	(21,015,237)	(9,425,836)	(21,015,237)	(11,100,671)
Accumulated losses at the end of the year	(62,632,881)	(41,617,644)	(62,632,881)	(41,617,644)

	Consolidated	
	2008	2007
	\$	\$
20. EARNINGS PER SHARE		
Basic/Diluted (loss) per share (cents per share) – continuing operations	(73.44)	(61.74)
Basic/Diluted (loss)/earnings per share (cents per share) – attributable to the members of the company	(73.44)	(36.30)
Income and share data used in the calculation of basic & diluted earnings per share:		
Loss from continuing operations after income tax expense	(21,015,237)	(16,030,639)
Loss attributable to members of the parent entity	(21,015,237)	(9,425,836)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic & diluted EPS	28,614,810	25,964,726
Effect of dilutive securities:		
- Share options	-	-
-Convertible Notes	-	-
Adjusted weighted average number of ordinary shares outstanding during the year used in calculation of basic & diluted EPS (i)	28,614,810	25,964,726

(i) As at the balance date, there are 13,662,257 shares options on issue and 119,900 potential shares which may be issued upon conversion of outstanding Convertible Notes, giving a total potential shares which may be issued of 13,782,157. These potential ordinary shares have not been taken into account when calculating the diluted loss per share due to their anti-dilutive nature.

Notes to the Financial Statements

For the year ended 30 June 2008

21. CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
Cash at bank	36,367	155,708	36,367	155,708
(b) Reconciliation of net cash flows from operating activities to operating loss after income tax				
Operating loss after taxation	(21,015,237)	(9,586,142)	(21,015,237)	(11,100,671)
Non cash items				
Depreciation	289,588	318,467	289,588	318,467
Equity based compensation	8,607,141	2,111,402	8,607,141	2,111,402
Profit/(loss) on sale of investment	532,143	(6,699,032)	532,143	-
Foreign exchange gain	(76,573)	-	(76,573)	-
Add/(less) items classified as investing/financing activities				
Sale of investments	-	-	-	(4,929,968)
Change in assets and liabilities				
(Increase)/decrease in receivables	(1,543,645)	283,620	(1,543,645)	(271,595)
(Increase)/decrease in inventories	-	525,590	-	-
Increase/(decrease) in payables	1,272,168	829,687	1,272,168	1,813,020
Increase/(decrease) in provisions	(11,614)	(39,242)	(11,614)	34,820
Increase/(decrease) in unearned income	2,086,158	-	2,086,158	-
Net cash flows used in operating activities	(9,859,871)	(12,255,650)	(9,859,871)	(12,024,525)

(c) Disposal of entities

During the year ended 30 June 2007 the Company's interest in the controlled entity BresaGen Limited was sold. Aggregate details of the transaction are:

Disposal price	-	7,766,219	-	-
Cash consideration	-	7,766,219	-	-

Notes to the Financial Statements

For the year ended 30 June 2008

21. CASH AND CASH EQUIVALENTS (cont'd)**(c) Disposal of entities**

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
Assets and liabilities held at disposal date:				
Cash & cash equivalents	-	284,027	-	-
Receivables	-	865,774	-	-
Property, plant & equipment	-	10,692,941	-	-
Other assets	-	451,016	-	-
Trade & other payables	-	(1,237,049)	-	-
Financial liabilities	-	(7,119,060)	-	-
Other liabilities	-	(702,320)	-	-
Minority equity interest	-	(2,168,142)	-	-
	-	1,067,187	-	-
Net gain on disposal	-	6,699,032	-	-

(d) Non cash investing activities

During the year, the Company acquired an additional investment in Viralytics Limited for non cash consideration of \$353,111 to record a total investment of \$1,938,240. This investment was sold for cash consideration of \$1,406,097 to realise a loss of \$532,143.

22. AUDITORS REMUNERATION

Amounts received or due and receivable by the auditors of the company for:

- an audit of the financial report	60,161	53,350	60,161	53,350
- other services	41,076	58,144	41,076	58,144
	101,237	111,494	101,237	111,494

Notes to the Financial Statements

For the year ended 30 June 2008

23. KEY MANAGEMENT PERSONNEL

(a) Names and positions held of consolidated group and parent entity key management personnel in office at any time during the financial year are:

Mr Stephen Jones	Executive Chairman
Dr Peter Corr	Non-executive director (appointed 30 October 2007)
Dr Göran Ando	Non-executive director (appointed 5 October 2007)
Prof. John Funder	Non-executive director (appointed 5 October 2007)
Dr Michael Monsour	Non-executive director
Mr Stephen Streeter	Non-executive director
Mr Jason Yeates	Managing director and Chief Executive Officer (appointed 5 October 2007)
Dr Dennis Feeney	Executive director and President of Global Development & Licensing (appointed 5 October 2007)
Mr James Greig	Chief Financial Officer

(b) Shareholdings

Number of Shares held by Key Management Personnel

Key Management Person	Balance 1.7.07	Options Exercised	Purchased/ (Sold) or transferred	Balance 30.6.08
S Jones	1,190,033	-	-	1,190,033
P Corr	-	-	-	-
G Ando	-	-	-	-
J Funder	-	-	-	-
M Monsour	1,713,734	-	592,600	2,306,334
S Streeter	-	-	-	-
J Yeates	-	-	-	-
D Feeney	-	-	-	-
J Greig	-	-	-	-

Key Management Person	Balance 1.7.06	Options Exercised	Purchased/ (Sold) or transferred	Balance 30.6.07
S Jones	1,190,033	-	-	1,190,033
M Monsour	1,094,292	-	619,442	1,713,734
S Streeter	-	-	-	-
B Dulhunty (i)	-	-	-	-
W Hanisch (i)	1,190,033	-	-	1,190,033
A Gearing (i)	-	-	-	-
J Yeates	-	-	-	-
D Feeney	-	-	-	-
J Greig	-	-	-	-
B Johnson	-	-	-	-

(i) Key Management personnel retired prior to 30 June 2007.

Notes to the Financial Statements

For the year ended 30 June 2008

23. KEY MANAGEMENT PERSONNEL (cont'd)

(c) Option Holdings

Number of Options held by Key Management Personnel

Key Management Person	Balance 1.7.07	Remuneration Options Granted	Acquired/ (Disposed)	Balance 30.6.08	Total Vested 30.6.08	Total Exercisable 30.6.08	Total Unexercisable 30.6.08
S Jones	300,000	-	-	300,000	300,000	300,000	-
P Corr	-	1,000,000	-	1,000,000	1,000,000	1,000,000	-
G Ando	300,000	700,000	-	1,000,000	1,000,000	1,000,000	-
J Funder	50,000	950,000	-	1,000,000	1,000,000	1,000,000	-
M Monsour	500,000	1,000,000	-	1,500,000	1,500,000	1,500,000	-
S Streeter	1,300,000	-	-	1,300,000	1,300,000	1,300,000	-
J Yeates	1,000,000	500,000	-	1,500,000	1,000,000	1,000,000	500,000
D Feeney	1,000,000	500,000	-	1,500,000	1,000,000	1,000,000	500,000
J Greig	35,200	500,000	-	535,200	23,232	23,232	511,968

Key Management Person	Balance 1.7.06	Remuneration Options Granted	Acquired/ (Disposed)	Balance 30.6.07	Total Vested 30.6.07	Total Exercisable 30.6.07	Total Unexercisable 30.6.07
S Jones	800,000	-	(500,000)	300,000	300,000	300,000	-
S Streeter	1,300,000	-	-	1,300,000	1,300,000	1,300,000	-
M Monsour	-	-	500,000	500,000	500,000	500,000	-
B Dulhunty (i)	700,000	-	-	700,000	600,000	600,000	100,000
W Hanisch (i)	800,000	-	-	800,000	800,000	800,000	-
A Gearing (i)	50,000	-	-	50,000	50,000	50,000	-
J Yeates	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
D Feeney	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
J Greig	35,200	-	-	35,200	11,616	11,616	23,584
B Johnson	350,000	-	-	350,000	350,000	350,000	-

(i) Key Management personnel retired prior to 30 June 2007.

Notes to the Financial Statements

For the year ended 30 June 2008

23. KEY MANAGEMENT PERSONNEL (cont'd)

(d) Directors Remuneration

	Short-Term		Post Emplo-	Termi-	Share-	Total
	Salary &	Other	yment	nation	Based	
	Fees		Superann-	Benefit	Payment	
	\$	\$	uation	\$	Value of	\$
	\$	\$	\$	\$	Options	\$
2008						
S Jones	339,389	-	1,260	-	-	340,649
P Corr (i)	-	-	-	-	370,000	370,000
G Ando (ii)	50,000	-	-	-	259,000	309,000
J Funder (ii)	50,000	-	-	-	351,500	401,500
M Monsour	78,800	-	4,500	-	370,000	453,300
S Streeter	77,096	-	-	-	-	77,096
J Yeates (ii)	250,000	-	22,500	-	71,154	343,654
D Feeney (ii)	265,000	-	-	-	71,154	336,154
	1,110,285	-	28,260	-	1,492,808	2,631,353
2007						
S Jones	209,010	-	1,260	-	-	210,270
M Monsour	20,833	-	22,708	-	-	43,541
S Streeter	81,151	-	-	-	-	81,151
D Feeney	228,319	-	-	-	-	228,319
J Yeates	222,673	-	20,816	-	-	243,489
B Dulhanty (iii)	10,833	6,000	975	-	-	17,808
W Hanisch (iv)	50,258	-	105,113	299,750	-	455,121
A Gearing (iv)	72,829	-	6,266	-	459,000	538,095
	895,906	6,000	157,138	299,750	459,000	1,817,794

(i) Appointed 30 October 2007

(ii) Appointed 5 October 2007

(iii) Resigned 31 January 2007

(iv) Resigned 16 November 2006

Notes to the Financial Statements

For the year ended 30 June 2008

23. KEY MANAGEMENT PERSONNEL (cont'd)

(e) Executive Remuneration

	Short-Term		Post Employ- ment	Termi- nation enefit	Share Based Payment	Total
	Salary & Fees	Other	Superannu- ation		Value of Options	
2008	\$	\$	\$	\$	\$	\$
J Greig	150,152	-	13,500	-	71,154	234,806
	150,152	-	13,500	-	71,154	234,806
2007						
J Greig	93,888	-	8,450	-	15,840	118,178
B Johnson (i)	53,311	-	51,946	-	-	105,257
	147,199	-	60,396	-	15,840	223,435

(i) Resigned 28 February 2007

(f) Summary of Director and Executive Remuneration

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
Short-term employee benefits	1,260,437	1,049,105	1,260,437	1,049,105
Post-employment benefits	41,760	217,534	41,760	217,534
Termination benefits	-	299,750	-	299,750
Share based payments	1,563,962	474,840	1,563,962	474,840
	2,866,159	2,041,229	2,866,159	2,041,229

24. COMMITMENTS

As at the balance date, the Company had unfinalised contracts involving clinical studies and the production and supply of Cpn10 for use in research and development and clinical studies. The estimated remaining contracted costs to finalise these contracts amount to approximately \$3.4 million. It is expected that these contracts will be finalised by 30 June 2010.

In 2005, the Company entered into a long-term property lease for purpose built facilities which will expire in March 2012. Current lease payments are approximately \$471,000 per annum. A portion of these facilities has been sub-leased until March 2010 at current lease payments of approximately \$131,000 per annum. The net cash flows in 2009 are expected to be \$340,000 and \$935,000 between 30 June 2009 and 31 March 2012.

On 30 March 2001, the company entered into a Royalty Agreement with CSL Limited (CSL). This agreement was entered into contemporaneously with the Deed of Assignment, an agreement which assigned CSL's rights to its Research Agreement with Uniquist Pty Ltd to CSL for payment of \$125,000. The Royalty Agreements stipulates that CBio is to pay royalties to CSL after commercialisation of products developed under the Research Agreement.

Notes to the Financial Statements

For the year ended 30 June 2008

25. FINANCIAL RISK MANAGEMENT

a) Risk Management Policies

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans and convertible notes. The main purpose of financial instruments is to raise finance for company operations.

The main risks and related risk management policies arising from the Company's financial instruments are summarised on the following page.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial report. The consolidated group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated group.

Interest Rate Risk

Interest rate risk is managed by the utilisation of fixed interest rates. The only debt instruments utilised by the Company during the year and in place at 30 June 2008 are convertible notes, which pay a fixed interest rate of 8% per year. As at the balance date, 100% of the Company's debt is fixed. The Company's exposure to interest rate risk is minimal. Net variable rate risk exposure is restricted to cash which was \$36,367 at 30 June 2008 and \$155,708 at 30 June 2007.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources will be available as and when required as well as ensuring capital raising initiatives are conducted in an timely manner as required. The table below reflects the maturity analysis for financial liabilities and shows the remaining contractual maturities:

	Consolidated		CBio Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
0-1 years	4,298,008	2,876,446	4,298,008	2,876,446
1-5 years	-	-	-	-
Over 5 years	-	-	-	-

Net Fair Values

The net fair values of financial assets and financial liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial report.

Notes to the Financial Statements

For the year ended 30 June 2008

25. FINANCIAL RISK MANAGEMENT (cont'd)

Foreign Currency Risk

The major foreign currency exposure is in US dollars. This is as a result of contracts, both receivable and payable, entered into in this currency. The company has no active foreign currency risk management strategy. The company had a surplus of foreign currency receivables over payables of \$504,644 at 30 June 2008 (2007: \$515,732 deficit).

b) Sensitivity Analysis

Interest Rate Risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

As at 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
Change in profit/(loss)				
- Increase in interest rate by 2%	(25,838)	71,599	(25,838)	71,599
- Decrease in interest rate by 2%	25,838	(71,599)	25,838	(71,599)
Change in equity				
- Increase in interest rate by 2%	(25,838)	71,599	(25,838)	71,599
- Decrease in interest rate by 2%	25,838	(71,599)	25,838	(71,599)

Notes to the Financial Statements

For the year ended 30 June 2008

25. FINANCIAL RISK MANAGEMENT (cont'd)

Foreign Currency Risk Sensitivity Analysis

As at 30 June 2008, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar, with all other variables remaining constant, would be as follows:

	Consolidated		CBio Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
Change in profit/(loss)				
- Improvement in AUD to USD by 5%	(25,232)	(25,787)	(25,232)	(25,787)
- Decline in AUD to USD by 5%	25,232	25,787	25,232	25,787
Change in equity				
- Improvement in AUD to USD by 5%	(25,232)	(25,787)	(25,232)	(25,787)
- Decline in AUD to USD by 5%	25,232	25,787	25,232	25,787

The above interest rate and foreign currency risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Financial Instrument Composition & Maturity Analysis at present value

2008	Weighted Average	Floating Interest Rate	Fixed Interest maturing within 1 year	Fixed Interest maturing in 1-5 years	Fixed Interest maturing more than 5 years	Non-Interest bearing	Total
Financial Assets							
- Cash	2.1%	36,367	-	-	-	-	36,367
- Receivables/other assets	3.5%	-	-	-	181,597	2,301,490	2,483,087
Total Financial Assets		36,367	-	-	181,597	2,301,490	2,519,454
Financial Liabilities							
Trade and other payables		-	-	-	-	4,069,008	4,069,008
Convertible note	8.5%	-	100,000	-	-	-	100,000
Loan		-	-	-	-	50,000	50,000
Unearned income		-	-	-	-	2,086,158	2,086,158
Total Financial Liabilities		-	100,000	-	-	6,205,166	6,305,166

All financial assets and liabilities mature within 6 months of 30 June 2008 except other receivables which represent security deposits maturing in excess of 5 years from 30 June 2008, and unearned income which will mature upon completion of certain terms under the agreement with Novo Nordisk A/S. The face value of these assets and liabilities materially represents the fair and total cash flow values of these instruments.

Notes to the Financial Statements

For the year ended 30 June 2008

25. FINANCIAL RISK MANAGEMENT (cont'd)

	Weighted Average	Floating Interest Rate	Fixed Interest maturing within 1 year	Fixed Interest maturing in 1-5 years	Fixed Interest maturing more than 5 years	Non-Interest bearing	Total
2007 Financial Assets							
- Cash	3.45%	155,708	-	-	-	-	155,708
- Receivables	3.50%	-	-	-	175,462	851,846	1,027,308
- Investments		-	-	-	-	1,585,129	1,585,129
Total Financial Assets		155,708	-	-	175,462	2,436,975	2,768,145
Financial Liabilities							
Trade and other payables		-	-	-	-	2,651,814	2,651,814
Long Term Loan	8.90%	200,000	-	-	-	-	200,000
Total Financial Liabilities		200,000	-	-	-	2,651,814	2,851,814

All financial assets and liabilities mature within 6 months of 30 June 2007 except other receivables which represent security deposits maturing in excess of 5 years from 30 June 2007. The face value of these assets and liabilities materially represents the fair and total cash flow values of these instruments.

CBIO LIMITED

Notes to the Financial Statements

For the year ended 30 June 2008

26. SEGMENT REPORTING

The Company operates as a research and development company in the biotechnology/ pharmaceutical industry. The activities of the Company take place primarily in Australia.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income- earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Primary Reporting	Continuing Research & Development		Discontinued Operations (Protein/Pharmaceutical Operations)		Consolidated	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Revenue						
Total Segment Revenue	1,212,850	6,747,544	-	6,766,743	1,212,850	13,514,287
Inter Segment Revenue	-	(4,929,968)	-	(6,699,032)	-	(11,629,000)
Total Consolidated Revenue	1,212,850	1,817,576	-	67,711	1,212,850	1,885,287
Result						
Segment Result	(21,015,237)	(16,030,639)	-	6,444,497	(21,015,237)	(9,586,142)
Net Profit/(loss)	(21,015,237)	(16,030,639)	-	6,444,497	(21,015,237)	(9,586,142)
Depreciation and amortisation	289,595	318,467	-	-	289,595	318,467
Non-cash expenses other than depreciation and amortisation	8,607,141	2,111,402	-	-	8,607,141	2,111,402

CBIO LIMITED

Notes to the Financial Statements

For the year ended 30 June 2008

26. SEGMENT REPORTING (cont'd)

	Continuing Research & Development		Discontinued Operations (Protein/Pharmaceutical Operations)		Consolidated	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Assets						
Segment Assets	3,238,115	3,735,730	-	-	3,238,115	3,735,730
Consolidated total assets	3,238,115	3,735,730	-	-	3,238,115	3,735,730
Liabilities						
Segment liabilities	6,463,454	3,020,451	-	-	6,463,454	3,020,451
Consolidated total liabilities	6,463,454	3,020,451	-	-	6,463,454	3,020,451
Cash Flow						
Operating	(9,859,871)	(12,024,525)	-	(231,125)	(9,859,871)	(12,255,650)
Investing	1,463,774	7,373,583	-	(284,027)	1,463,774	7,089,556
Financing	8,276,756	4,567,534	-	334,466	8,276,756	4,902,000
Total cash flows	(119,341)	(83,408)	-	(180,686)	(119,341)	(264,094)

Notes to the Financial Statements

For the year ended 30 June 2008

27. RELATED PARTY TRANSACTIONS

Mr Stephen Streeter is the principal fundraiser of the company. During the year, fees totalling \$93,194 (2007: \$108,000) were paid or payable to S & M Streeter Investments for raising \$3,106,454 (2007: \$3,600,000) in new capital for the company. The balance outstanding at the balance date in relation to these fees was \$78,798 (2007: \$nil).

During the prior year, the MPAMM Pty Ltd, a company associated with Dr Michael Monsour, made an interest-free loan of \$200,000 loan to the company. In the year ending 30 June 2008, MPAMM Pty Ltd converted its loan into two convertible notes, with a face value of \$100,000 each. The notes paid 8% interest per annum. The notes were converted to equity during the year, with 239,800 shares being issued on conversion of the notes to equity. Interest of \$5,348 accrued on these notes during the year and remained unpaid at the balance date.

MPAMM Pty Ltd and MP Monsour Medical Practice Pty Ltd, companies associated with Dr Michael Monsour, acquired a further five Convertible Notes issued by CBio Limited with a total face value of \$330,000. Interest of \$7,075 was payable on these notes during the period, and the entire accrued interest balance remained outstanding at the balance date. These Notes were converted to equity during the year, with 396,147 ordinary shares being issued to the entities associated with Dr Monsour.

Australian Technology Innovation Limited, a company associated with Mr Stephen Jones, Mr Stephen Streeter and Dr Michael Monsour repaid in full a loan of \$160,459, including accrued interest of \$66,459, to CBio Limited. Australian Technology Innovation Limited subsequently loaned CBio Limited \$79,451. The loan is non-interest bearing and is repayable on demand. The balance outstanding at the balance date is \$50,000.

The Company issued 88,000 shares at nil consideration to Australian Biofund Investments Limited, a company associated with Mr Stephen Jones, Mr Stephen Streeter and Dr Michael Monsour, and issued 175,220 shares at nil consideration to MPAMM Pty Ltd, a company associated with Dr Michael Monsour. These issues were made in accordance with the terms and conditions under which previous shares acquired by these entities were offered.

All related party transactions were conducted under commercial terms and conditions.

28. SUBSEQUENT EVENTS

Subsequent to the balance date, the company received USD\$2 million (AUD\$2,077,706) from Novo Nordisk A/S in connection with the agreement signed with the company in relation the Cpn10 intellectual property asset. This amount was recorded as unearned income and as a current receivable as at 30 June 2008.

The Company has received \$0.6 million in P3 grant funding subsequent to the balance date.

The Company paid \$10,000 to Australian Technology Innovation Fund Limited subsequent to the balance date, representing a partial repayment of funds loaned to CBio. The balance of the loan outstanding subsequent to this payment is \$40,000. Australian Technology Innovation Fund Limited is a company associated with Mr Stephen Jones, Mr Stephen Streeter and Dr Michael Monsour.

The Company has continued to raise new capital subsequent to the balance date. A total of \$1,040,000 has been raised at \$1 per share and 1,040,000 new shares have been issued or are due to be issued subsequent to the balance date.

The Company entered into a Share Purchase Agreement with an existing CBio shareholder whereby the shareholder has committed to acquiring 500,000 shares at \$1 per share, in tranches of 100,000 shares, at any time prior to 30 April 2009. The first 100,000 share tranche was completed in early September.

Notes to the Financial Statements

For the year ended 30 June 2008

28. SUBSEQUENT EVENTS (Cont'd)

Interest payable to a convertible note holder on their convertible note was converted to equity subsequent to the balance date. \$89,315 in interest payable was converted to 107,170 new shares.

The Company issued 1,939,800 options to employees and executive directors subsequent to the balance date. The options have an exercise price of \$1.00, have various vesting periods and have an expiry date of 31 December 2012.

29. CORPORATE STRUCTURE

CBio Limited is a company limited by shares that is incorporated and domiciled in Australia. CBio Limited has prepared a consolidated financial report incorporating the entities that it controlled & disposed of during the prior financial year. During the year ending 30 June 2008 there were no controlled entities.

The registered office and principal place of business is:

CBio Limited
85 Brandl St
Eight Mile Plains, QLD, 4113

Directors' Declaration

In accordance with a resolution of the directors of CBio Limited, I state that:

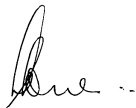
(1) In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) subject to the inherent uncertainty regarding continuation as a going concern as expressed in note 1 to the financial report, that is, the ability of the company to pay its debts as and when they fall due, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ending 30 June 2008.

On behalf of the Board

Stephen Jones
Executive Chairman



Date: 15 October 2008

Auditor's Independence Declaration to the Directors of CBio Limited

In relation to our audit of the financial report of CBio Limited for the financial year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized blue ink signature of the Ernst & Young firm.

Ernst & Young

A blue ink signature of Winna Brown, consisting of a cursive 'W' followed by a long horizontal flourish.

Winna Brown
Partner

15 October 2008

Independent auditor's report to the members of CBio Limited

Report on the Financial Report

We have audited the accompanying financial report of CBio Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

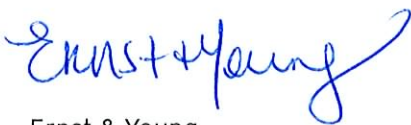
1. the financial report of CBio Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of CBio Limited and the consolidated entity at 30 June 2008 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(d) in the financial report which indicates that as at 30 June 2008, the company and consolidated entity had net current liabilities of \$1,944,390 (2007: \$351,613) and incurred operating losses after income tax of \$21,015,237 (2007: company \$11,100,671 and consolidated entity \$16,030,639) for the year ended 30 June 2008. These conditions, along with other matters set forth in Note 1(d), indicate the existence of a material uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and /or consolidated entity not continue as going concerns.

A stylized blue ink signature of the Ernst & Young firm.

Ernst & Young

A blue ink signature of Winna Brown.

Winna Brown

Partner

Brisbane

15 October 2008