

17 October 2011

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

Dear Sir,

- **CBIO ANNOUNCES RECEIPT OF FINAL CLINICAL STUDY REPORT**
- **FINAL REPORT AND COMPLETED WORKPLAN TO BE DELIVERED TO EUROPEAN PHARMACEUTICAL COMPANY NOVO NORDISK**
- **NOVO NORDISK HAS 60 DAYS TO EXERCISE OPTION**
- **CURRENT OPTION AGREEMENT PRE-AGREED LICENCE TERMS INCLUDE UPFRONT FEES, US\$111M MILESTONE PAYMENTS AND DOUBLE DIGIT ROYALTIES**

**BRISBANE**, 17 October 2011: CBio Limited (ASX: CBZ) today announced receipt of the final report for its phase IIa clinical trial in rheumatoid arthritis (RA) patients. The study evaluated the efficacy and safety of XToll in 155 patients with moderate to severe rheumatoid arthritis despite treatment with methotrexate (MTX). Patients on the trial were randomised to receive 75mg of XToll, 25mg of XToll or placebo via subcutaneous injection twice-weekly for 24 weeks. Efficacy was assessed by the American College of Rheumatology (ACR) standardised measure of improvement in rheumatoid arthritis signs and symptoms.

The main conclusions from the study are as follows:

**1. Although a numerically higher number of patients in the XToll treatment groups achieved at least 20% improvement in their symptoms (ACR20), statistical significance was not reached and the primary endpoint of the trial was not met.** Mean values for the ACR20 response at the end of week 12 were 42% in patients receiving 75mg, 35% in patients receiving 25mg, and 30% in those receiving placebo.

**2. A statistically significant XToll treatment effect was demonstrated in several secondary efficacy parameters**

- ACR-N (a sensitive measure of disease activity which tracks worsening as well as improvement across a range of RA signs and symptoms)
- Swollen joint count (SJC) and tender joint count (TJC)
- Health related quality of life measures (the SF-36 patient survey of health and wellbeing)
- Time to achieve at least a 50% improvement in symptoms (time to ACR50)
- Erythrocyte sedimentation rate at week 16 and week 24 (ESR, a marker of inflammation in the blood)

**3. Interleukin-6 (IL-6), a marker of inflammation, was significantly reduced in the blood of XToll treated patients.** Circulating serum IL-6 levels were elevated in RA patients, however the reduction in circulating IL-6 observed in the 75mg patient group approached the normal range reported for healthy subjects.

**4. Clinically meaningful signals of efficacy were demonstrated in the Health Assessment Questionnaire (HAQ).**

**5. Trends to improvement heading towards 'low disease activity' were demonstrated in DAS28,** a composite score across a range of disease measures, at week 24 of the study however these trends did not reach statistical significance.

**6. Improvement over time in RA signs and symptoms was demonstrated.** The number of ACR70s increased over time, indicating that the longer that patients received XToll treatment the greater their improvement. Continued improvement over time was also demonstrated in disease measures including SJC, TJC, ACR-N, SF-36.

**7. XToll is safe and well-tolerated.** XToll administered at both 25mg and 75mg was seen to be safe and well tolerated with no pattern of treatment emergent adverse events (TEAE) evident between the dose groups. The most common TEAEs reported during the study were injection site reactions, which were well treated with antihistamines.

**8. Pharmacokinetic (PK) results suggest that subjects were not optimally dosed.** Results show there was significant variability in the amount of XToll measured in the blood of patients. It is apparent that the existing formulation is not optimal for injection under the skin. Reformulation work will be required in advance of any future large-scale clinical trial.

CBio Chairman Mr Stephen Jones said that final data supports the Board's view that XToll is a potential new therapy for autoimmune and inflammatory diseases.

"In this study we have demonstrated improvement in a number of disease activity areas and we have identified a number of interesting trends. The Board's view is that further studies of XToll in autoimmune disorders are appropriate," Mr Jones said.

"The Board believes this a potential first-in-class drug with a novel mechanism of action," he said.

CBio will now deliver the final study report to Novo Nordisk. This will signify the completion of the workplan as contemplated under the Option Agreement. Novo Nordisk will have up to 60 days to exercise their option to negotiate a licensing deal for the XToll technology.

"In addition to Novo Nordisk, the final report will be presented to a number of major pharmaceutical companies who have continued to express their interest in XToll," Mr Jones said.

"This is a critical and exciting time for the company," he said.

The clinical trial data has been submitted for consideration as a late-breaking abstract to the 2011 Annual Scientific Meeting of the American College of Rheumatology.

The delivery of the final report and completed workplan to Novo Nordisk will trigger an immediate positive CBio balance sheet change. A US\$3 million option fee already received from Novo Nordisk has up until now been accounted for as unearned income (and a liability), however this amount will now be earned by CBio and considered as income in the current financial year.

For and on behalf of the Board of CBio Limited.



**BEN GRAHAM**  
Company Secretary

#### **About CBio Limited**

CBio is an Australian ASX listed company established in 2000. CBio's lead product XToll is a potential new-generation drug therapy which could provide safer and more effective treatment of autoimmune diseases such as rheumatoid arthritis (RA). Global sales of RA therapies exceeded US\$17 billion in 2008. Novo Nordisk A/S, a top 20 global pharmaceutical company and world-leader in diabetes care, has an exclusive option to enter into a licence agreement for the intellectual property rights relating to XToll. XToll has been trialled in over 330 patients with no pattern of treatment-emergent serious adverse effects. The company's largest clinical trial to date completed in Q2 2011. CBio's Board includes internationally experienced drug developers including Dr Goran Ando, Vice-Chairman Novo Nordisk A/S (formerly president of R&D at Pharmacia/Pfizer and R&D director of Glaxo Group, UK); Dr Thomas Lönnngren (former Executive Director of the European Medicines Agency), Dr Terje Kalland (retired Vice President Biopharmaceuticals Research Unit- Novo Nordisk); Dr Peter Corr, Founder and co-General Partner of Celtic Therapeutics (formerly Senior Vice-President for Science and Technology at Pfizer and Chairman of the Board of Governors, New York Academy of Sciences); and Professor John Funder, AO, Professor of Medicine at Monash University, Senior Fellow at Prince Henry's Institute of Medical Research (formerly Director of the Baker Institute, 1990-2001).

#### **About Rheumatoid Arthritis**

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

#### **INVESTOR RELATIONS**

Ben Graham  
Company Secretary  
CBio Limited  
T: +61 7 3841 4844  
[ben.graham@cbio.com.au](mailto:ben.graham@cbio.com.au)

#### **MEDIA LIAISON**

Melanie Farris  
Manager Corporate Projects  
CBio Limited  
T: +61 (0)449 148 448  
[melanie.farris@cbio.com.au](mailto:melanie.farris@cbio.com.au)

