

ASX ANNOUNCEMENT
31 January 2012

CASH FLOW REPORT FOR QUARTER ENDED 31 DECEMBER 2011

Bionomics Limited (ASX:BNO) today released its quarterly cash flow report for the quarter ended 31 December 2011.

Key Points

- Bionomics retains a strong balance sheet that has been boosted by the licensing of BNC210:
 - o Cash at the end of the half year was \$17.886 million.
 - o Subsequent to the announcement of the BNC210 license agreement with Ironwood Pharmaceuticals on 5 January 2012, the initial payment of US\$3 million has been received.
 - o As announced on 5 January 2012, over the next 24 months Bionomics may receive up to US\$13 million in further payments including the initial payment of US\$3 million.
 - o Under the agreement with Ironwood, Bionomics could receive up to US\$345 million pending achievement of certain development and regulatory milestones plus if successful, royalties on sales of products incorporating BNC210 and other related compounds.
 - Operating expenses have been significantly reduced, whilst expanding the BNC105 cancer clinical trial program and increasing resources into the Company's Alzheimer's Disease drug discovery program:
 - o Net operating cash flows decreased by 47.4% to (\$1.04 million) in the quarter ended 31 December 2011 relative to the comparable period ended 31 December 2010 (\$1.979 million).
 - o Net operating cash flows for the 6 months ended 31 December 2011 decreased by 41.2% (\$2.294 million) relative to the comparable period to 31 December 2010 (\$3.903m).
 - o Research & Development costs decreased by 31% for the quarter ended 31 December 2011 to (\$1.897 million).
 - o Research & Development costs decreased by 34.6% for the half year ended 31 December 2011 to (\$3.238 million).
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FOR FURTHER INFORMATION PLEASE CONTACT:

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About Bionomics Limited

Bionomics (ASX: BNO) is a leading international biotechnology company which discovers and develops innovative therapeutics for cancer and diseases of the central nervous system. Bionomics has small molecule product development programs in the areas of cancer, anxiety, epilepsy and multiple sclerosis.

BNC105, which is undergoing clinical development for the treatment of cancer, is based upon the identification of a novel compound that potently and selectively restricts blood flow within tumours. BNC105 offers blockbuster potential if successfully developed. A clinical program is also underway for the treatment of anxiety disorders and depression based on BNC210, a novel compound which stimulates neurite outgrowth. BNC210 is partnered with Ironwood Pharmaceuticals. Bionomics has a partnered program with Merck Serono for new treatments for multiple sclerosis and other autoimmune disorders.

Bionomics' discovery and development activities are driven by its three technology platforms: Angene®, a drug discovery platform which incorporates a variety of genomics tools to identify and validate novel angiogenesis targets (involved in the formation of new blood vessels). MultiCore® is Bionomics' proprietary, diversity orientated chemistry platform for the discovery of small molecule drugs. ionX® is a set of novel technologies for the identification of drugs targeting ion channels for diseases of the central nervous system. These platforms underpin Bionomics' established business strategy and Bionomics is committed to securing partners for its key compounds.

For more information about Bionomics, visit www.bionomics.com.au

Factors Affecting Future Performance

This presentation contains "forward-looking" statements within the meaning of the United States' Private Securities Litigation Reform Act of 1995. Any statements contained in this presentation that relate to prospective events or developments, including, without limitation, statements made regarding Bionomics' development candidates BNC105, BNC210, its Merck Serono alliance, its licensing deal with Ironwood Pharmaceuticals, drug discovery programs and pending patent applications are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions are intended to identify forward-looking statements.

There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including risks related to our available funds or existing funding arrangements, a downturn in our customers' markets, our failure to introduce new products or technologies in a timely manner, regulatory changes, risks related to our international operations, our inability to integrate acquired businesses and technologies into our existing business and to our competitive advantages, as well as other factors. Results of studies performed on competitors products may vary from those reported when tested in different settings.

Subject to the requirements of any applicable legislation or the listing rules of any stock exchange on which our securities are quoted, we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this presentation.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005, 17/12/10

Name of entity

BIONOMICS LIMITED

ABN

53 075 582 740

Quarter ended ("current quarter")

31-Dec-11

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from customers	1,000	1,769
1.2	Payments for		
	(a) staff costs	(216)	(432)
	(b) advertising & marketing	(115)	(203)
	(c) research & development (incl. R&D staff costs)	(1,897)	(3,238)
	(d) leased assets	(23)	(34)
	(e) other working capital	(460)	(949)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	114	288
1.5	Interest and other costs of finance paid	(2)	(54)
1.6	Income taxes paid	0	0
1.7	Other	559	559
	Net operating cash flows	(1,040)	(2,294)
1.8	Net operating cash flows (carried forward)	(1,040)	(2,294)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	0	0
	(b) equity investments	0	0
	(c) intellectual property	0	0
	(d) physical non-current assets	0	0
	(e) other non-current assets	0	0
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	0	0
	(b) equity investments	0	0
	(c) intellectual property	0	0
	(d) physical non-current assets	0	0
	(e) other non-current assets	0	0
1.11	Loans to other entities	0	0
1.12	Loans repaid by other entities	0	0
1.13	Other	0	0
	Net investing cash flows	0	0
1.14	Total operating and investing cash flows	(1,040)	(2,294)

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	12	12
1.16 Proceeds from sale of forfeited shares	0	0
1.17 Proceeds from borrowings	0	0
1.18 Repayment of borrowings	0	(2,264)
1.19 Dividends paid	0	0
1.20 Other (sale of building proceeds)	0	6,388
Net financing cash flows	12	4,136
Net increase (decrease) in cash held	(1,028)	1,842
1.21 Cash at beginning of quarter/year to date	18,924	16,052
1.22 Exchange rate adjustments to item 1.20	(10)	(8)
1.23 Cash at end of quarter:	17,886	17,886

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(176)
1.25	Aggregate amount of loans to the parties included in item 1.11	0
1.26	Explanation necessary for an understanding of the transactions	
	Consists of remuneration paid to directors including remuneration paid to the Chief Executive Officer and Managing Director.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities - Line of Credit	550	550
3.2 Credit standby arrangements	0	0

Explanation necessary for an understanding of financing facilities available

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	4,806	1,994
4.2 Deposits at call	13,080	16,930
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	17,886	18,924

Acquisitions and disposals of business entities

	Acquisitions \$A'000 (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does ~~does not~~^{*} (delete one) give a true and fair view of the matters disclosed.

Sign here: 31/01/2012
(CEO & Managing Director)

Print name: DEBORAH RATHJEN

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
- 3 **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.