



GIACONDA ANNOUNCES POSTER PRESENTATION AT AMERICAN COLLEGE OF GASTROENTEROLOGY MEETING

Sydney, Australia 23 October 2006. Giaconda Ltd (ASX: GIA) announced that the results of preliminary research on the therapeutic role of Myoconda[®], the company's lead product, in fistulizing Crohn's Disease are being presented in a poster at the American College of Gastroenterology meeting in Las Vegas this week by the Centre for Digestive Diseases.

The poster reports on fistula healing in patients with severe Crohn's Disease when treated with Myoconda[®] and optional curetting. The data comes from a retrospective review of thirteen patients with active fistulae who were treated with Myoconda[®] and optional curetting. Six patients were included in the final analyses as the other seven patients had not had a one year follow up consultation while on therapy.

Four of the six patients reviewed (66.6%) achieved complete fistula healing whilst on Myoconda. Five patients had been curetted. Of the curetted patients 60% achieved complete fistula healing, 20% achieved partial healing and 20% remained with active fistulae.

In conclusion, the administration of Myoconda[®] in combination with curetting was found to result in partial or prolonged healing of fistulae for the majority of patients and may present another treatment option.

"In severe Crohn's Disease one of the worst symptoms for patients is the occurrence of fistulae, which are very painful. Approximately 30% of Crohn's Disease patients develop fistulae," said Professor Tom Borody, Giaconda's Chief Medical Officer and co-author of the paper. "These results, while not being statistically significant due to the size of the group, are of clinical interest and may provide another option in the treatment of this condition," he continued.

Patrick McLean, Giaconda's Chief Executive Officer commented "Few drugs or even surgery have been found to result in long term closure of fistulae in severe Crohn's Disease so this finding is encouraging. We will continue to develop Myoconda[®] as a therapy for Crohn's and this finding, while not directly relevant to the indication we are seeking for Myoconda[®] supports our confidence in the product," he continued.

About Giaconda Limited

Giaconda Limited is a biotechnology company involved in developing and licensing innovative and cost effective medical therapies in the field of gastroenterology. Giaconda's products are targeted towards the treatment of serious conditions that are not adequately addressed by any existing therapy. In this way, Giaconda's products are intended to satisfy these significant unmet medical needs of the gastrointestinal market. The Giaconda portfolio consists of five products, all of which are novel combinations of known compounds. Giaconda has two lead products, Myoconda[®] for the treatment of Crohn's Disease and Heliconda[®] for the treatment of resistant *Helicobacter pylori* infection. Both of these products are ready for Phase III clinical trials, with a Phase IIIa already complete for Myoconda[®].

For more information please visit www.giacondalimited.com

About fistulae

A fistula is an abnormal tunnel connecting two body cavities (such as the rectum and the vagina) or a body cavity to the skin (like the rectum to the outside of the body). One way a fistula may form is from an abscess - a pocket of pus in the body. The abscess may be constantly filling with body fluids such as stool or urine, which prevents healing. Eventually the fistula breaks through to the skin, another body cavity, or an organ.

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About curetting

Curetting involves the use of a curette, a spoon shaped surgical instrument with a sharp edge, to scrape away diseased or necrotic tissue.

About Myoconda®

Myoconda® is Giaconda's therapy for the treatment of Crohn's Disease. It is a combination of three registered antibiotics - rifabutin, clarithromycin, and clofazimine. These three drugs are widely marketed individually for the treatment of mycobacterial and other infections. Myoconda®, for the first time, presents these three compounds in a specific, patented combination.

Except for historical information, this news release may contain forward-looking statements that reflect the Company's current expectation regarding future events. These forward looking statements involve risk and uncertainties, which may cause but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process, and other risks detailed from time to time in the Company's ongoing quarterly and annual reporting.

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