



**Giaconda Limited
2006 Annual General Meeting
Chairman's Address**

Good Afternoon. For those I have not met, my name is Richard Woods and I have the privilege and pleasure of serving as the Chairman of the Board of Giaconda Limited.

On behalf of the Board, I warmly welcome all shareholders, proxy holders and visitors to the 2006 Annual General Meeting of Giaconda Limited.

This fiscal year has been an exciting and productive one for Giaconda.

Thanks to an enormous amount of hard work from all those involved the Company floated successfully on the Australian Stock Exchange on 28 September 2005 raising six million dollars.

We outlined an aggressive program to move the products acquired from Prof. Tom Borody closer to market in our prospectus and have made considerable progress since listing.

The Board is more than satisfied with the progress made on many fronts, including the IPO fund raising, clinical studies, regulatory and manufacturing development and commercial licensing. The CEO will speak further about the progress made in terms of the commercialisation program and research and development from June 2005 to date.

With the Board's oversight, the Company's management team has achieved a number of milestones through the judicious use of the funds invested in the company. The advantage of a small highly motivated and innovative team is that we have been able to develop solutions in a fraction of the time and at a fraction of the cost that it would take larger organisations. Subsequently, I am pleased to report that Giaconda had \$4.2 million in cash at the close of the 2005/6 fiscal year.

It has been a tough year for the listed biotech sector in the face of a number of worldwide industry events rocking the sector and resulting in a lack of market confidence. In line with the market trend, Giaconda's share price has decreased significantly below its listing price. Your Board of Directors is of the opinion that the progress made this year in licensing and R&D is not reflected in the current share price. We continue to support the Company's commercialisation strategy and are confident in its success. This confidence is supported by the Letters of Intent Giaconda has obtained for the commercialisation of Myoconda® in the UK and Republic of Ireland, the Netherlands, Belgium and Luxembourg, Australia and Asia.

Giaconda's Board and Management have diligently continued to work towards its goals and the Company has fared well in this challenging environment due to its solid fundamentals. We look forward to the coming year and remain confident that Giaconda will build on this year's track record.

I would like to express a personal vote of appreciation to our Board of Directors, the executive team and to you the shareholders of Giaconda for the support that you have given us during our first full year as a publicly listed company. As we said in our value statement, when we first began this endeavour, 'the patient is waiting' and at Giaconda we are getting closer to delivering products to patients who have an unmet need. Thank you for helping us make this happen.

GIACONDA LIMITED

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The meeting will proceed with a speech from our Chief Executive Officer to update you on our progress which will be followed by a presentation by Professor Tom Borody, our Chief Medical Officer on our vision for the treatment Crohn's Disease. We will then screen a short film about our patients and then the formal business of the meeting will commence.

Richard Woods
Chairman
30 October 2006

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

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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