



18 January 2006

Giaconda announces further research results supporting Crohn's Therapy Efficacy – over 95% response – 65% remission – for up to 9.5 years

Sydney, NSW, January 18, 2006 – Giaconda Limited (ASX: GIA), a biotechnology company involved in developing and licensing innovative and cost effective medical therapies in the field of gastroenterology today announced that further clinical analysis conducted by Professor Tom Borody, the company's Chief Medical Director and Director of the Centre for Digestive Diseases has been accepted and presented at the recent Australian Gastroenterology Week meeting in Brisbane in poster format. The results of the retrospective analysis of 53 patients treated with the Myoconda[®] combination for a minimum of six months demonstrated some of the highest efficacy levels ever shown in the treatment of Crohn's Disease. 65% of the patients showed complete remission and over 95% % showed marked improvement (defined as a reduction in Crohn's Disease Activity Index – CDAI – of 70 or more points and/or a significant reduction in inflammation in the mucosa of the colon). One patient has been in remission for nine and a half years.

"We are excited about these results," said Professor Tom Borody, CMO of Giaconda Limited. "It is one more significant study showing that treatment of MAP (Mycobacterium avium ss paratuberculosis) infection in Crohn's Disease can help patients get better. There has been no effective treatment for a large number of Crohn's patients that has shown similar response rates."

Patrick L. McLean, CEO of Giaconda Limited added, "This is important scientific data that will help our cause as we continue our discussions with the FDA in the United States and the regulatory authorities in other countries around the world for approval of Myoconda[®], our triple antibiotic therapy for treating MAP."

Myoconda[®] is in clinical and manufacturing development and has completed a large Phase IIIa clinical trial in Australia. A second Phase III study is in the planning stages.

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 trial already complete for Myoconda[®].

For more information, please visit www.giaconda.net.au

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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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