



GIACONDA SELLS MYOCONDA, HELICONDA AND PICOCONDA

- **Sale of patents brings significant cash injection into Giaconda**
- **Giaconda stands to benefit if the patents are successfully commercialised**

Sydney, NSW, 16 August 2010 - Giaconda Limited (ASX:GIA) (the "Company") today announced that it has signed an Asset Purchase Agreement to sell its Myoconda, Heliconda and Picoconda patents to RedHill Biopharma Ltd ("RedHill"). Giaconda will receive an upfront payment of US\$500,000 plus 7% of the net sales earned by RedHill from a commercialised treatment and 20% of sublicensing receipts after certain development costs have been deducted.

The US\$500,000 payment is structured as an initial payment of US\$100,000 upon the exchange of the agreement and as a US\$400,000 payment upon completion of the agreement. The US\$100,000 advance is secured by a fixed mortgage over all the intellectual property in Myoconda, Heliconda and Picoconda, as well as by a featherweight floating charge over all the assets and undertakings of the Company.

Under the terms of the agreement, RedHill will assume all costs for the development of the patents through to regulatory approval and will be responsible for the commercialisation of the approved products. Giaconda has an option to buy back the patents and the associated intellectual property at their acquisition and development cost if RedHill fails to commercialise the patents in accordance with the agreement. In addition, RedHill assumes Giaconda's rights to future gastrointestinal treatments or therapies developed by Professor Borody or the Centre for Digestive Diseases.

Giaconda's Chief Executive Officer and acting Chairman, Mr Patrick McLean, said:

"This sale represents the next step in our commercialisation strategy for Myoconda, Heliconda and Picoconda and fulfils our promise to shareholders when we started the company. RedHill's team has a proven track record in commercialising pharmaceutical products. RedHill are committed to commercialising the Myoconda, Heliconda and Picoconda therapies and we are confident that Giaconda shareholders will receive significant benefits once those products reach the marketplace and royalty payments flow."

RedHill's Chief Executive Officer, Mr Dror Ben-Asher, said: "We are delighted to have reached this deal with Giaconda. We believe the products have significant potential to help patients in need, as well as significant commercial potential."

A further announcement will be made on completion of the agreement.

For further information please contact:

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