



Giaconda Receives European Patent for Ibaconda®

Sydney, NSW, 28 December, 2006 – Giaconda Limited (ASX: GIA), today announced that the European Patent Office has granted its patent for the combination of olsalazine and colchicine for the treatment of Irritable Bowel Syndrome (IBS). This patent is part of a wider Patent Cooperation Treaty (PCT) application (priority date 7 May 1997) that has already been granted in Australia, South Africa and the United States.

The issued patent entitled "Therapy for constipation" (European patent no: EP0980246) provides further protection for Ibaconda®, Giaconda's therapy for constipation predominant IBS. Ibaconda® is a combination of two compounds, olsalazine and colchicine.

"The intellectual property associated with our products is a key element of our licensing packages," said Rosa Surace, Giaconda's Chief Operating Officer.

"We hope to commence the next clinical trial with Ibaconda® next year and this patent grant, when combined with the previous grants on the patent, gives us protection in all our target territories."

The grant of this patent allows Giaconda to certify the patent in Austria, Belgium, Cyprus, Switzerland and Liechtenstein, Germany, Denmark, Spain, Finland, France, United Kingdom, Greece, Ireland, Italy, Luxembourg, Monaco, Netherlands, Portugal and Sweden. Giaconda will begin proceedings to validate this patent in all of the above territories.

About Irritable Bowel Syndrome

Irritable Bowel Syndrome is a functional bowel disorder characterized by symptoms including abdominal pain or cramping, bloating, diarrhoea and / or constipation. 10-15% of the world population suffers from IBS. The cause of IBS remains unknown. IBS may be either diarrhoea-predominant or constipation-predominant or alternating between both.

Approximately 9% of the world's population suffers from IBS with constipation symptoms. There is currently no effective treatment or cure for IBS. Therapy may vary from a change in diet to the use of various medications, such as laxatives or drugs that change the motility of the bowel. While such treatments relieve symptoms for some patients, a large proportion of patients continue to suffer.

Ibaconda® - A combination therapy for Irritable Bowel Syndrome

Ibaconda® is a combination of olsalazine and colchicine which has been identified as providing effective relief to patients with constipation-predominant IBS when used in combination. Olsalazine is an anti-inflammatory medication currently used to treat ulcerative colitis that produces a laxative effect. Colchicine is a drug that has also demonstrated some efficacy when used to treat the symptoms of constipation. Both of these drugs when used as a single agent are only moderately effective in some patients. When used together these drugs provide more effective relief of constipation than either of the two drugs used alone. It is on this basis that Giaconda contends that this combination offers an effective treatment alternative for patients with constipation-predominant IBS. Results of the use of this treatment at the Centre for Digestive Diseases reinforce this concept and are being further quantified through research.

GIACONDA LIMITED

Suite 1307, Level 13, 370 Pitt Street, Sydney NSW 2000 Phone: [612] 9266 0440 Fax: [612] 9266 0441
email: info@giacondalimited.com ABN 68 108 088 517 www.giacondalimited.com

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.

CONTACTS:

Company	Media & Investor Relations
Rosa Surace – Chief Operating Officer	Fay Weston – Talk Biotech
T: +61 418 399 263	T: +61 422 206036
E: rsurace@giacondalimited.com	E: fayweston@talkbiotech.com.au

GIACONDA LIMITED

Suite 1307, Level 13, 370 Pitt Street, Sydney NSW 2000 Phone: [612] 9266 0440 Fax: [612] 9266 0441
email: info@giacondalimited.com ABN 68 108 088 517 www.giacondalimited.com