



GIACONDA ANNOUNCES HALF-YEAR FINANCIAL RESULTS

Sydney, Australia 13 February 2007. **Giaconda Ltd (ASX: GIA)**, the gastroenterology drug development company, today announced the release of its interim results for the half-year ended 31 December 2006.

Results for announcement to the Market

	2006	2005	Change \$	Change %
Revenue from ordinary activities	108,936	98,245	10,961	10.9%
Operating loss from ordinary activities after income tax	(553,193)	(651, 873)	98,680	15.1%
Operating loss attributable to members	(553,193)	(651, 873)	98,680	15.1%
Net tangible assets per security	0.06	0.07	(0.01)	(14.3%)

No dividends have been declared or are expected to be declared.

Key Financial points

- The cash position of \$3.13M (2005:\$5.15M). This cash position is after allowing for total expenditure of \$0.5M on research and product development.
- The loss from operations before tax for the half-year of \$0.56M compares to \$0.83M for the 6-months ending 31 December 2005 and \$1.44M for the year ended 30 June 2006.

Half-Year Highlights

Myoconda[®]

- Preparation for the next clinical trial of Myoconda[®] for the treatment of Crohn's Disease was a major focus for the company. Giaconda has sourced the three Active Pharmaceutical Ingredients required for the manufacturing of the product and is in the process of negotiating contracts with a manufacturer for the clinical trial material.
- Regulatory file preparation on Myoconda[®] for the treatment of severe Crohn's Disease has progressed well and is in the final stages.
- Significant progress during the six months has been made in securing partners for Myoconda[®] with Letters of Intent signed with Orphan Australia for the Australia, Asia, Namibia and South Africa territories and with Tramedico BV for the Benelux region.
- Negotiations on the License Agreements with existing partners, Forest Laboratories, Tramedico BV and Orphan Australia are ongoing and discussions continue with potential licensees for the US territory and with other companies for other territories.

GIACONDA LIMITED

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Picoconda™

- The results of a Phase II clinical study involving Picoconda™, a bowel preparation for gastrointestinal procedures, were presented at the Australian Gastroenterology Week conference in Adelaide and published in the *Journal of Gastroenterology and Hepatology* in October 2006. Significantly, one outcome of the trial was that the Picoconda™ capsules were found to be the most favoured bowel preparation by patients and in general, resulted in a lower number of mild adverse events than the other preparations in the trial. The clinical study should assist in establishing Picoconda as a next generation bowel prep.

Ibaconda®

- The intellectual property relating to Ibaconda® was strengthened with a European patent being granted on 27 December 2006

Hepaconda®

- Preparations continued for the Phase IIa trial for Hepaconda®, Giaconda's product for Hepatitis C. The trial will be conducted by Giaconda's clinical associates at the Centre for Digestive Diseases (CDD) and approval for the trial from the Human Research Ethics Committee has been obtained.

Heliconda®

- Heliconda® was granted a European patent on 8 November 2006

"I believe that we have made excellent progress in the period. The focus of our operations in the six months reported has been the preparation of our lead product, Myoconda® for the treatment of Crohn's Disease, for the next stage in clinical testing. These preparations have gone well and we look forward to commencing the next clinical trial in due course," said Patrick McLean, CEO of Giaconda.

"We have also made significant progress in our licensing activities and negotiations are ongoing with potential new partners."

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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