



## ASX Release

### **Avexa licenses antibacterial program to Swiss drug development company Valevia in deal worth up to US\$65M**

**Melbourne, Australia, Thursday 18 November, 2010:** Australian biotechnology company Avexa Limited [ASX:AVX] today announced that it has entered into a license agreement with private Swiss drug development company Valevia Pharmaceuticals GmbH which could yield revenues of up to \$US65 million in milestone payments and royalties.

Under the terms and conditions of the agreement Valevia will fund all future development of Avexa's preclinical antibacterial drug program while Avexa will retain control of managing the intellectual property. Other terms and conditions remain confidential.

The licence covers the entire Avexa antibacterial portfolio. Avexa is entitled to receive up to US\$65 million plus royalties upon achievement of significant clinical development and commercial milestones for the lead program.

In the event other compounds covered by Avexa's intellectual property are developed by Valevia, Avexa would be entitled to additional milestone and royalty payments.

Avexa controls the intellectual property covering a series of novel compounds which are active against a range of microorganisms, including strains that are resistant to the antibiotics vancomycin, methicillin and mupirocin.

Avexa's lead molecule AVX13616 has been selected for pre-clinical testing. Studies of AVX13616 have shown it possesses good antibacterial activity against various strains of *Clostridium difficile* and against mupirocin-resistant strains of *Staphylococcus aureus*. This compound and others are the result of a long standing collaboration with the University of Wollongong, NSW.

"We are very excited about entering this relationship with Valevia and have high expectations for development of our well-established portfolio of potential drugs," said Avexa Interim CEO Dr Jonathan Coates "It's very pleasing that our program is attractive to an antibiotic drug developer. The achievement of development milestones for the program holds great potential for our shareholders."

He added: "Valevia has extensive experience and understanding of developing antibacterial drugs. Resistance to antibiotics has become a significant clinical issue. It's a phenomenon that has continued to increase over the years, especially in hospitals. Any development of drugs that are active against a range of microorganisms resistant to antibiotics would be a landmark achievement."

#### **About Avexa Limited**

Avexa Limited is a Melbourne-based biotechnology company with a focus on discovery, development and commercialisation of small molecules for the treatment of infectious diseases. Avexa's key projects include apricitabine (ATC) for the treatment of drug-resistant HIV, an HIV integrase program and an antibiotic program for antibiotic-resistant bacterial infections.

**A V E X A**

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### **About Valevia Pharmaceuticals GmbH**

Valevia Pharmaceuticals GmbH is a Swiss-based privately owned biotechnology company dedicated to the development of innovative therapies for antibacterial infections. Valevia focuses on research and development of compounds for difficult to treat hospital infections.

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