



## **ASX Release**

### **Avexa annual financial report**

**Tuesday, 9 August 2005**

Research and development biotechnology company Avexa (ASX:AVX) today released its audited annual financial report confirming the closing cash position of \$15.7 million recently reported in the quarterly cash flow statement.

Included within the loss for the first financial year of operation of \$13.5 million is a \$6 million, non-cash write down in the Company's intellectual property, such that the operational cash consumption for the period was contained to \$6.8 million.

Avexa was de-merged from Amrad Corporation Ltd on 1 July 2004 with \$12 million in cash and raised \$11.5 million in March 2005 less transaction costs of \$0.9 million.

In January 2005, the Company announced the in-licensing of Phase II HIV drug AVX754 from Shire Pharmaceuticals Group Plc which introduced a late stage project into the Company's portfolio and dramatically improved the possibility of Avexa having a significant drug on the market within the next five years. The deal was structured to preserve the Company's cash resources and avoid milestone and upfront costs normally associated with in-licensing such a late stage project. During the year, the Company purchased clinical trial product for \$2.5 million to conduct the Phase IIb trial, the commencement of which was announced by Avexa on 25 July 2005.

"I am pleased with the Company's first reported full year results and with the introduction of a quality late stage project to the Company's portfolio. There will be an increase in overall expenditure in the next financial year associated with the Phase IIb clinical program. However, I believe that the Company is in a strong position with up to 2 years' operating cash for the core business and enough funds to complete the Phase IIb plus a 24 week extension study for the lead project AVX754," said Avexa's Chief Executive Officer, Dr Julian Chick.

The Company's Annual General Meeting is planned for 4 October 2005, to be held at the Melbourne Computershare facility, full details of which will be provided in due course as part of the Notice of Meeting.

#### **About Avexa**

Avexa Limited is a Melbourne-based biotechnology company with a focus on research and development of anti-infectives. The company is developing drugs for the treatment of infectious diseases which have a significant unmet medical need. Avexa has dedicated resources and funding for key projects including antiviral drugs for HIV/AIDS and an antibiotic alternative for antibiotic-resistant bacterial infections. The company's lead program is AVX754, in-licensed from Shire Pharmaceuticals in January 2005 and has recently entered into a Phase IIb clinical trial.

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