

AVEXA

Investor Roadshow December 2010



AVEXA⁰

Forward Looking Statement

This presentation includes forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause the actual results, performance or achievements of Avexa to be materially different from the statements in this presentation.

Actual results could differ materially depending on factors such as the availability of resources, the results of pre-clinical and clinical proof-of-concept studies, the timing and effects of regulatory actions, the strength of competition and the effectiveness of patent protection.

Additional information regarding risks and uncertainties is set out in the company's 2010 annual report which is available from Avexa on request or via the company website www.avexa.com.au.



Recent Highlights

- **Strong, focused board and management dedicated to driving value for shareholders**
- **Independent review found real potential in the Avexa portfolio**
- **ATC progressing to regulatory meeting in early 2011**
- **Antibacterial program licensed to Valevia for up to US\$65M plus royalties**
- **Strategic investment in Allied Medical and its vaccine programs in Coridon**
- **Licence agreement for HIV integrase program with Shanghai Institute of Organic Chemistry in China**



Financial Summary

ASX ticker:	AVX
Outstanding Shares:	847M
Market Cap:	\$35M
Cash:	\$20M



Pipeline

Disease Indication	Research	Lead Compound	Pre-clinical	Phase I	Phase II	Phase III
HIV	ATC – next stop FDA meeting					
MRSA	Topical Antibiotic			Licensed to Valevia		
MRSA	Systemic Antibiotic		Licensed to Valevia			
HIV	HIV Integrase		1 program licensed to SIOC			
Investment	Allied Medical					



Independent Expert Review

Findings

- **ATC has potential as an asset**
 - If positioned and partnered appropriately will generate significant returns
- **The value of HIV Integrase program can be enhanced considerably in the next 12 months**
 - Work to identify a second-generation preclinical lead
- **The antimicrobial program has potential and would benefit from a partner with an anti-bacterial focus**
- **The HCV program, while technically successful, had not reached a stage where significant value can now be realised**



Antibacterial Program

US\$65M Licence deal with Valevia

- Avexa is entitled to receive up to US\$65M in milestones and royalties for the lead program
- Valevia scientists have extensive experience and understanding of developing antibacterial drugs
- Valevia will fund all future development of Avexa's antibacterial drug program
- The licence covers the entire Avexa antibacterial portfolio
- Potential for additional milestone and royalty payments from earlier compounds
- Avexa will initially retain control of managing the intellectual property
- Other terms and conditions remain confidential



Strategic investment in Allied Medical

- Profitable base business in medical device sales
- Access to exciting R&D opportunity through Coridon Pty Ltd & Professor Ian Frazer in ID vaccines
- Major shareholder Andrew Forrest of Fortescue Metals Group
- Strong fit with Avexa's focus on infectious diseases
- Investment of up to \$1.5M - two tranches of \$750k
- Second tranche contingent on Allied Medical committing to ASX listing
- Up to 24% interest in Allied Medical



HIV Integrase Program

Licence deal with Shanghai Institute of Organic Chemistry (SIOC)

- All future development costs for China covered by the partner
- Avexa to receive 50% of all net revenues in China
- Avexa to retain all development and marketing rights for the rest of the world
- First generation HIV Integrase Inhibitors
- One of the first series discovered by Avexa and shows considerable potency and a relatively simple synthesis route
- Potential in emerging markets and may provide further competitive opportunities in traditional markets



The FDA Plan

- **Data from the Phase II/III trial analysed and collated**
 - **Submission to FDA over 17,000 pages**
- **Request to meet with FDA submitted**
- **Meeting to be held early 2011**
- **Topics for discussion**
 - **Utility of data gained to date**
 - **Possible path forward to approval for ATC**
- **Avexa will update shareholders and the market when outcomes known**



Apricitabine (ATC)

- Because it works
 - Used to treat over 200 patients
 - Some for over 4 years
- Strong patent family providing coverage until 2024
 - Main composition and use patents with extensions expire end 2019 (US) and mid 2020 (EU)
 - Validated by UK & US patent attorneys
 - Additional patent coverage ranging from 2024 to 2027
 - Includes manufacturing patents
 - Includes comp of matter on intermediates
- Therefore strong ATC IP with long coverage
 - Reviewed and supported by independent IP attorneys
- Excellent safety profile

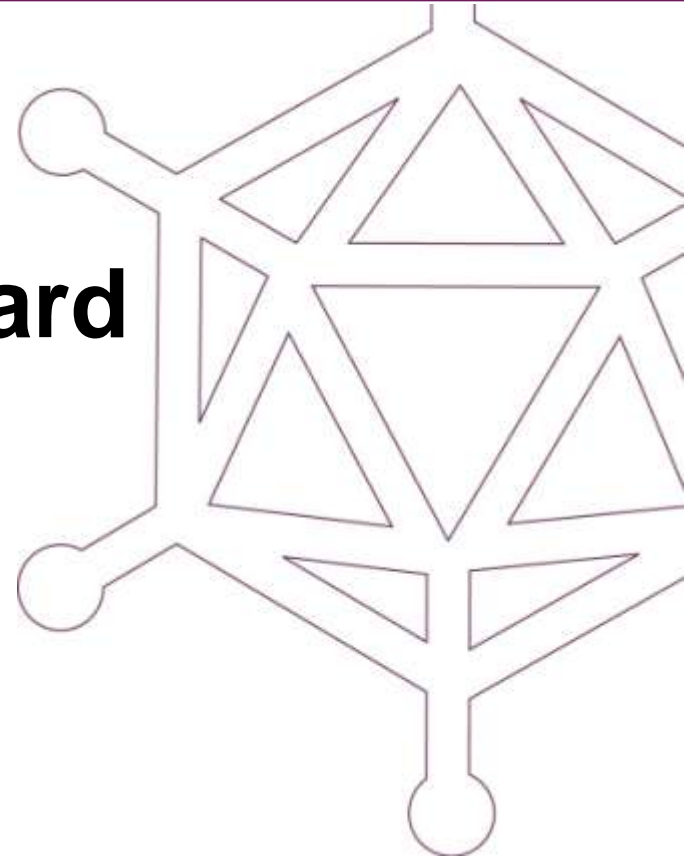
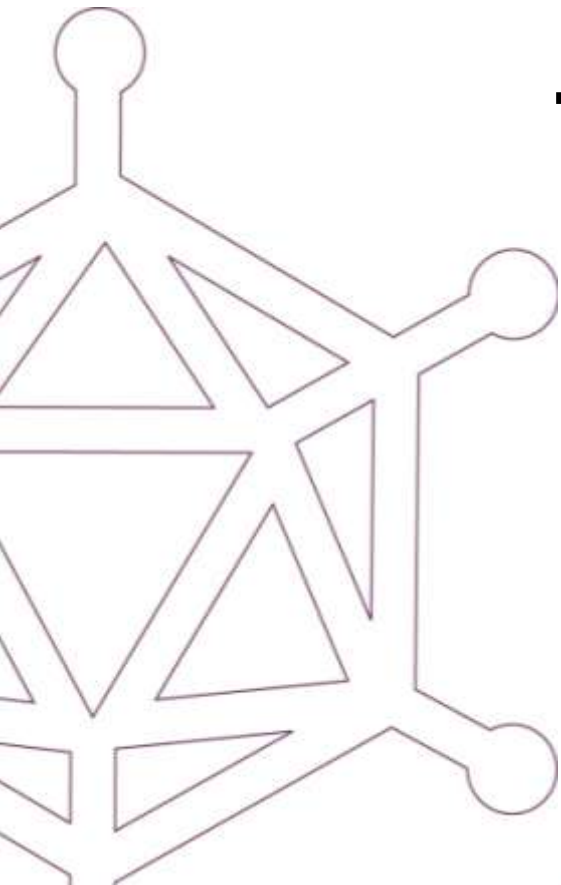


Apricitabine (ATC)

- Active against drug-resistant HIV as well as wild-type HIV
- The twice-a-day dose is appropriate for second line therapy
 - Several marketed products dosed as twice-a-day medication
- There is a developing medical need for a novel and safe NRTI
 - To support the new less robust anti-virals in market
 - Growing demand from clinicians as resistance increases
 - Resistance of virus to current treatments is growing faster than expected
- Can be formulated with other agents as a fixed dose combinations



The Path Forward



Recent value-creating events

Since July 7

- **Announcement of two licensing deals**
- **Announcement of Independent Review**
- **Announcement of strategic investment**
- **Meeting with the FDA re: ATC. Signals another step towards commercialisation**



The Path Forward

- Seek a meeting with FDA for ATC to discuss:
 - The data from the ATC Phase II/III
 - Early 2011
- Subject to FDA outcomes, seek a partner for ATC based on the cost and risk effectiveness of a new clinical development paradigm
- Pursue a 12-month period of lead optimisation in the HIV Integrase area
- The Board has licensed the antibacterial program
- Look at strategic investments such as Allied Medical





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