



Company Announcement

Avexa to pursue co-marketing partnering model for the development of anti-HIV drug apricitabine (ATC)

Melbourne, Australia, Friday 27th April 2012: Australian biotechnology company Avexa Limited [ASX:AVX] today announced that following advice from independent external consultants, the company's board decided to follow a co-marketing partnering model for the development of apricitabine (ATC), the company's drug for the treatment of drug-resistant HIV.

As a result, Avexa is seeking to secure one or more co-marketing partners, to be responsible for sales and marketing. The marketing rights to ATC will be granted either on a global or regional basis. Meanwhile Avexa is reviewing funding options to complete the remaining clinical development of ATC, which centers on a 300-patient trial with a 14-day primary endpoint. This much smaller, faster trial could see ATC gaining approval within three years.

The Avexa board believes the co-marketing partnering model is more likely to lead to the best outcome for ATC and consequently, Avexa's shareholders.

Interim CEO, Dr Jonathan Coates, said: "There is a clear and sizeable market for ATC because it is safe and active, with advantages over current drugs in patients with limited choices. While once-a-day drugs dominate first line therapy, there are lots of twice-a-day drugs being taken by patients, and with good sales. The market opportunity for ATC is in all patients who have failed first-line therapy and who currently have limited choices."

Dr Coates said feedback received from large pharmaceutical companies that Avexa has engaged in talks with, suggested they were more interested to market once-a-day first-line combination therapies only. Also, previously the clinical trial cost had made it impossible to take ATC to market without a big pharma partner. Dr Coates said that Avexa's discussions with the FDA and the EMA now showed that Avexa could complete the development of ATC with a much lower cost and a faster, less risky trial.

"Avexa is now adopting the 'get approval and market with a partner' approach," said Dr Coates. "We are currently seeking to secure marketing partner(s) and reviewing funding options to complete the remaining clinical development. Partnering with a sales and marketing group or groups will allow the drug to be sold globally."

Avexa's board believes there is clear evidence that ATC would have significant patient support, with independent analysis suggesting that the per annum sales market for ATC could be between \$100M and \$400M.



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Avexa also announced today an update on other projects:

- The company's HIV Integrase project at Shanghai Institute of Organic Chemistry (SIOC) is progressing more slowly than expected due to current fundraising difficulties in China.
- The company's novel antibacterial agent AVX13616, licensed to Valevia, is progressing well, with progress being made in disease target extension and extension of Avexa's results.
- Avexa's in-house HIV Integrase project is progressing well with good drug-like properties established for the series. Preclinical candidates will be chosen within the next six months.

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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.

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