

For Immediate Release

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US Govt intention to order a further 12.3m courses of Relenza

United States Department of Health and Human Services (HHS) statements released late last week reveal that the HHS intends to increase its stockpile of Relenza by an additional 12.3 million courses, taking the Relenza stockpile to 16.2 million courses.

The HHS has increased the proportion of Relenza to 20% of the total 81 million course stockpile it intends to complete by 2008, attributing the increase in Relenza to its favourable risk of resistance profile to Tamiflu.

Orders announced to date from the HHS are for 26 million courses in total, including 3.9 million courses of Relenza. These orders have been previously announced (refer Biota ASX announcement 23 March 2006).

On 29 June 2006, the US Department of Health and Human Services (HHS) released a report entitled "A Pandemic Planning Update II, A Report from Secretary Michael O. Leavitt". (<http://www.pandemicflu.gov/plan/pdf/PanfluReport2.pdf>).

The report indicates an intention to have 81 million courses of anti-viral treatments on hand by December 2008, built up as follows:

Current (on hand)	6 million courses
March 2006	20 million courses ordered
December 2006	26 million courses
December 2008	81 million courses

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In a corresponding release by Department of Health and Human Services, Centers for Disease Control and Prevention entitled "Public Health Emergency Preparedness Cooperative Agreement, Follow –up Questions and Answers: Second Set" (http://www.bt.cdc.gov/planning/coopagreement/pdf/fy06guidance_qa2.pdf), the order intention is clarified and elaborated as follows:

"Once all of the current Flu procurements are delivered, The SNS (Strategic National Stockpile) will reflect 85% Tamiflu and 15 % Relenza. The current goal with future procurements is to bring that ratio to 80:20. Theoretically, there is less risk of resistance with Relenza compared to Tamiflu"

Peter Cook, Biota CEO said today that the confirmation of the additional 12.3 million courses of Relenza into the US stockpile was welcome news. The increase ratio of Relenza confirmed the therapeutic merits of the product, particularly with regard to its low risk of resistance.

About Biota

Biota is a world-leading antiviral drug development company based in Melbourne, with key expertise in respiratory diseases, particularly influenza. Biota developed the first-in-class neuraminidase inhibitor drug, zanamivir, and subsequently marketed by GlaxoSmithKline (GSK) as Relenza. Relenza is currently being stockpiled by a number of national governments for defense against avian influenza. Biota receives royalties from sales of Relenza.

Work has been underway at Biota for some time to develop a new generation of neuraminidase inhibitors designed to be more active and longer acting than the first generation products.

Biota also collaborated with Inverness Medical to develop rapid detection tests for influenza and the FLU OIA and FLU OIA A/B influenza diagnostics range has been marketed since 1999.

TMRelenza is a registered trademark of the GlaxoSmithKline group of companies.

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*Further information available at www.biota.com.au.

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