

For immediate release

Relenza Approvals Extended in EU

Melbourne, Australia – 25 August 2006

Biota has been advised by GlaxoSmithKline (GSK) that it has received approval from the European Regulators in 15 EU countries, extending the indications of Relenza for prevention (prophylaxis) of influenza in adults and children 5 years of age and above, and for treatment of influenza in children 5 years of age and above.

The full text of the GSK release follows:

"GlaxoSmithKline receives approval in 15 European countries for use of Relenza® in prevention of influenza A and B

Issued – Thursday 24 August 2006, London, UK

GlaxoSmithKline (GSK) today announces that it has received approval from European Regulators in 15 EU countries for use of its anti-viral Relenza® (zanamivir for inhalation) in the prevention (prophylaxis) of influenza A and B in adults and children 5 years of age and above.

Approval was also received today for the treatment of influenza in children 5 years of age and above. Relenza® is already approved in Europe for the treatment of influenza in adults and adolescents 12 years of age and above.

Relenza® won US FDA approval for the prevention of influenza in adults and children aged 5 years and older in March 2006.

"This approval is a significant step forward as it provides the medical community in Europe with another option to prevent and treat seasonal influenza enabling governments to prepare for a potential flu pandemic," said David Stout, President Pharmaceutical Operations, GSK. "As a leading provider of vaccines and anti-viral medications, GSK is committed to support governments and health authorities around the world in planning to respond to a global crisis should an influenza pandemic occur."

About GlaxoSmithKline

GlaxoSmithKline has an active research and development programme targeted at both seasonal and pandemic influenza, and has committed over \$2 billion to expand capacity for manufacturing flu vaccine and its anti-viral influenza treatment Relenza®.

GlaxoSmithKline is one of the world's leading research-based pharmaceutical and health care companies. GlaxoSmithKline is committed to improving the quality of human life by enabling people to do more, feel better and live longer. For company information visit: www.gsk.com."

Biota CEO, Peter Cook added "the extended indications in the European Union follow an extension of prophylaxis approval, earlier in the year, in both the US and Australia. This is a further step in the process of GSK addressing some of the marketing barriers that have to date, been limiting the true potential of Relenza"

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, 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.

Recent Biota research breakthroughs have included a series of candidate drugs aimed at RSV (Respiratory Syncytial Virus, bronchiolitis), subsequently licensed to MedImmune Inc. Biota has Phase I clinical trials underway with HRV (human rhinovirus) and is also engaged in early stage research targeting hepatitis C virus infection. In addition, Biota has key partnerships with Sankyo; for the development of second generation influenza antivirals (called LANI or Long Acting Neuraminidase Inhibitors) and with Thermo Electron (Inverness Medical); Biota developed the FLU OIA® influenza diagnostics, currently marketed in the US.

™Relenza 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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