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Supreme Court sets Trial Date in Biota v GSK action

Melbourne, Australia – 30 August 2006

The Supreme Court of Victoria has set a trial date for the long running dispute between Biota Holdings Limited (ASX:BTA) and GlaxoSmithKline (GSK).

Justice Whelan ordered the parties to be prepared for the trial which is to commence on 1 April 2008.

Biota claims that the worldwide GlaxoSmithKline (GSK) group breached contractual and fiduciary duties owed to Biota by failing to properly develop, promote and support the world's first broad spectrum anti-flu drug Relenza, for both seasonal and pandemic stockpiling purposes.

Relenza was an Australian discovery and the first in the world in a new class of influenza drugs. Biota licensed the drug to GSK in 1990 for the purpose of GSK bringing the drug to world markets.

The writ seeks unspecified damages for lost revenues to date, as well as future losses through the life of the product's patents.

About Biota

Biota is a 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.

[®]FLU OIA & FLU OIA A/B are registered trademarks of Thermo Electron Corporation.

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

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