

For Immediate Release

Melbourne Australia—29 September 2006.

Biota welcomes GSK's License grant for the manufacture and supply of zanamivir in China and other countries

Biota Holdings Limited (ASX: BTA) today welcomed the announcement that GlaxoSmithKline ("GSK") has granted its first sub-license to manufacture and supply zanamivir. The sub-license is to Simcere Pharmaceutical Group ("Simcere") of China, and permits the manufacture and supply of zanamivir in China, Indonesia, Thailand, Vietnam and other developing countries. Zanamivir is the active ingredient in Relenza, the anti-influenza drug developed by GSK under licence from Biota.

Biota CEO Mr Peter Cook said *"When GSK requested Biota's approval for this agreement with Simcere, it was readily given in recognition of the critical public health need. We hope to see GSK further increase supply to ensure that the world is able to gain better access to zanamivir, one of the world's only two effective antiviral drugs in the event of an avian flu pandemic"*.

The agreement enables Simcere to manufacture and sell zanamivir in China, Indonesia, Thailand, Vietnam and all United Nations classified Least Developed Countries. GSK's competitor, Roche, has already put in place a number of arrangements with developing countries for the manufacture and use of the rival anti-influenza drug Tamiflu, ranging from licensing such as the Simcere deal, to sub-contract manufacturing agreements with more than 16 third parties in 10 different countries. Biota will be entitled to receive royalties on sales by Simcere, under the sub-license.

A copy of the GSK press release is attached.

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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GSK GRANTS LICENSE FOR MANUFACTURE OF INFLUENZA TREATMENT ZANAMIVIR

Agreement intended to increase availability of supply in Asia and Least Developed Countries

London and Philadelphia, September 28, 2006 – GlaxoSmithKline [NYSE: GSK] today announced it has signed a licensing agreement with Simcere Pharmaceutical Group of Nanjing, China, granting Simcere the right to manufacture and sell the anti-viral influenza treatment zanamivir in China, Indonesia, Thailand, Vietnam and all Least Developed Countries (LDCs)¹. Zanamivir is the active ingredient in GSK's Relenza® (zanamivir for inhalation), which was developed by GSK under license from Biota Holdings, Limited.

"GSK is doing everything we can to prepare for a global influenza pandemic, including expanding production of Relenza and developing a pandemic vaccine," said David Stout, President, Pharmaceutical Operations. "This agreement with Simcere is intended to expand available supplies of zanamivir in areas of the world that may be on the front line of a possible influenza pandemic."

Of the more than 240 cases reported in which humans have been infected with H5N1 influenza virus, also known as avian flu, more than half have occurred in Asia-Pacific nations or in the LDCs. Experts have expressed concern that H5N1 could mutate to become a strain that is more easily transmitted between humans, leading to a global pandemic.

GlaxoSmithKline has an active research and development program targeted at both seasonal and pandemic influenza, and has committed over \$2 billion to expand capacity for manufacturing flu vaccine and Relenza.

Relenza is approved in many markets for the prophylaxis and treatment of Influenza A and B in children and adults.

About GlaxoSmithKline

GlaxoSmithKline is one of the world's leading research-based pharmaceutical and health care companies, and 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.

About Biota

Biota is Australia's leading antiviral drug development company, based in Melbourne. Biota's initial success was the discovery of zanamivir, the first-in-class neuraminidase inhibitor for the treatment and prevention of influenza. Zanamivir is licensed to GlaxoSmithKline and marketed as Relenza™. Relenza is used to treat seasonal influenza and is currently being stockpiled by various governments for defence against possible pandemic outbreaks of avian (bird) influenza. For more information about Biota, visit: <http://www.biota.com.au>

¹ <http://www.un.org/special-rep/ohrlls/ldc/list.htm>

About Simcere

Simcere Pharmaceutical Group, headquartered in Nanjing, China, is an incorporated pharmaceutical company producing a wide range of quality generic medicines. It is one of the top 100 Chinese pharmaceutical companies. The Company's products are sold in each of China's 30 provinces and municipalities. For more information about Simcere, visit:
<http://www.simcere.com/english/index.asp>

GlaxoSmithKline is one of the world's leading research-based pharmaceutical and healthcare companies and is committed to improving the quality of human life by enabling people to do more, feel better and live longer.

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