

Biota Holdings Limited

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Canadian Government orders 5.5m courses of Relenza

In May 2006 the Canadian Federal, Provincial and Territorial Ministers of Health agreed to step up their efforts to strengthen the public health capacity in preparing for an influenza pandemic. Biota has now been informed that as a consequence of this initiative, the Canadian Government will increase the overall stockpile of antivirals to 55 million courses, and increase the proportion of zanamivir to 5.5 million courses.

Peter Cook, Biota CEO, stated *"It is pleasing to see Canada's ongoing review of their antiviral stockpile and as a consequence a significant increase in Relenza. When delivered by GlaxoSmithKline, this increase should provide in excess of \$9m in royalties to Biota"*.

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 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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