

For Immediate Release

Melbourne, Australia — 19 April 2007

LANI completes Phase I in Japan and to commence Phase I in UK

Biota Holdings Limited (ASX:BTA) today announced that its long acting neuraminidase inhibitor (LANI), CS8958, an anti-influenza treatment, has:

1. demonstrated effectiveness against the avian flu virus H5N1;
2. completed Phase I studies in Japan; and
3. received ethics approval to commence comparable studies in the UK.

Biota's partner for LANI, Daiichi-Sankyo, overnight announced that laboratory studies had confirmed CS8958's effectiveness against the avian flu virus H5N1 in addition to its effectiveness against influenza A and B type non-avian viruses. Daiichi-Sankyo also announced that it has completed a Phase I clinical trial in Japan on CS8958 and expects to start Phase II studies in October.

A copy of the Daiichi-Sankyo announcement is attached.

The UK studies will extend the safety and pharmacokinetics studies of CS8958 in man. The double-blinded study will involve up to 40 healthy volunteers using a single dose, and will trial up to four separate, single dose levels. The study is being funded as part of a US\$5.6 million grant provided by the US National Institutes of Health. The studies will utilise a newly licensed inhaler designed by Hovione and complement the studies completed by Daiichi-Sankyo in Japan. The UK studies will generate data in western subjects and lay the basis for further clinical development outside Japan.

CS8958 is a long acting neuraminidase inhibitor and offers higher potency, lower dose and the potential for once only treatment and once weekly prophylactic protection from influenza. These properties are known consumer advantages over existing inhaled and oral therapies.

CS8958 and a range of other LANI type compounds are co-owned by Biota and Daiichi-Sankyo.

Biota CEO, Peter Cook said "*These are important milestones in the development of second generation anti-influenza products. We have every confidence in the product's profile as it offers the potential for a very real improvement in therapy for both the prescriber and ultimate user of the product*".

About Daiichi-Sankyo

Daiichi-Sankyo Co. Ltd (TSE 4568) is one of Japan's largest pharmaceutical companies, with annualised worldwide sales of US\$8.2 billion (A\$10 billion). Daiichi-Sankyo has a long history of discovering new classes of drugs, including the first-in-class statin drug for treatment of high cholesterol. In 2003, Daiichi-Sankyo and Biota combined their LANI research programs.

About Biota

Biota is a leading antiviral drug development company based in Melbourne Australia, with key expertise in respiratory diseases, particularly influenza. Biota developed the first-in-class neuraminidase inhibitor, zanamivir, subsequently marketed by GlaxoSmithKline as Relenza.

Biota research breakthroughs have included a series of candidate drugs aimed at respiratory syncytial virus (RSV) or bronchiolitis, licensed to MedImmune Inc. and novel nucleoside analogues designed to treat hepatitis C virus (HCV) infections, licensed to Boehringer Ingelheim. Biota has clinical trials underway with its lead compound for human rhinovirus (HRV) infection in patients with compromised respiration or immune systems. In addition, Biota has key partnerships with Daiichi-Sankyo for the development of second generation influenza antivirals and with Inverness Medical to market Biota developed FLU OIA influenza diagnostics.

Relenza™ is a registered trademark of the GlaxoSmithKline group of companies.

BioStar® OIA® FLU and BioStar® OIA® FLU A/B are registered trademarks of Inverness Medical.

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

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Completion of Phase I Trial on the Anti-influenza Drug CS-8958

Tokyo, April 18, 2007 – DAIICHI SANKYO COMPANY, LIMITED announced today that it has completed a Phase I clinical trial in Japan on the DAIICHI SANKYO-originated anti-influenza drug CS-8958 and expects to start Phase II trials this fall.

CS-8958 is a long-acting neuraminidase inhibitor that is expected to show a therapeutic effect only by one administration and a protective effect by one administration a week. The compound is under development as an inhalant that will act directly on the pulmonary and tracheal sites of infection. Non-clinical studies have confirmed its effectiveness against the H5N1 avian flu virus in addition to its effectiveness against both A and B type non-avian flu viruses.

CS-8958 was designated as a priority item for face-to-face consultation and advice by the Pharmaceuticals and Medical Devices Agency (PMDA) in August 2006, which will give it priority for consultations on clinical trial planning and other issues. DAIICHI SANKYO aims to file an NDA at end-2009 and is pursuing development in full consultation with the regulatory authorities and specialists. As measures are stepped up to deal with new strains of influenza virus, CS-8958 may make an important contribution by increasing the range of options available for treating and preventing flu infections.

In Europe and the US, Australia-based Biota Holdings Ltd., a joint development company, is conducting Phase I trials for CS-8958.