



For Immediate Release

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Biota to Acquire CSIRO Relenza Royalty

Biota Holdings Limited (ASX:BTA) and CSIRO today announced they have executed an agreement under which Biota will pre-pay the royalty rights to the anti-influenza drug Relenza currently held by CSIRO.

Under the terms of the agreement CSIRO will receive a cash payment and an initial share placement of \$2 million in Biota shares. A further payment will be triggered should future sales of Relenza meet an agreed target value. Specific terms of the agreement were not disclosed.

Commenting on today's announcement, Biota CEO, Peter Cook said, *"This agreement provides clarity for both parties and enables each organisation to focus on their core activities. We are delighted to welcome CSIRO as a shareholder."*

CSIRO Molecular & Health Technologies Chief, Dr Graeme Woodrow said, *"This agreement between Biota and CSIRO is further evidence of the long term, close relationship that we have enjoyed during the development of Relenza. Relenza was the outcome of a first class, Australian scientific drug discovery program and CSIRO remains justifiably proud of its contribution to the discovery of this groundbreaking product. The agreement will enable CSIRO to move ahead with our priority R&D programs, whilst retaining a future benefit from Biota's commercial performance."*

About Relenza

Relenza is an inhaled drug for the prevention and treatment of influenza, discovered in Australia by Biota funded scientists. Its discovery built on important neuraminidase research conducted previously by the Molecular and Health Technologies Division of CSIRO and the Victorian College of Pharmacy.

Biota licensed Relenza to GlaxoSmithKline (GSK) in 1990 on an exclusive worldwide basis, for development and commercialisation. Biota is entitled to a royalty on sales of Relenza by GSK through to the end of the product's patent life. For their part in the drug's discovery, CSIRO received a share of Biota's royalties from Relenza. CSIRO continues to conduct research into the effectiveness of neuraminidase inhibitors.

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.

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

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