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Daiichi Sankyo exercise right to market CS-8958 in Japan

Biota Holdings Limited (ASX:BTA) today announced that Daiichi Sankyo, the co-owner of the long acting neuraminidase inhibitor (LANI) CS-8958, has signed a contract to manufacture and market the product in Japan, pending the successful completion of the pivotal Phase III clinical studies and on obtaining registration approval. Biota, as one of the owners, will receive an undisclosed royalty on sales and a number of fixed sum payments on the achievement of certain sales milestones in the Japanese market.

All other key markets for CS-8958 in the world, including the US, remain available for licensing by the partners. Biota and Daiichi Sankyo will share commercial returns from licensing outside Japan.

In 2003, Biota and Daiichi Sankyo merged their respective LANI programs and Daiichi Sankyo retained the option to manufacture and market CS-8958 in Japan in return for funding the Japanese trials. The molecule CS-8958 was discovered by Daiichi Sankyo.

Biota also announced that patient enrolment of the key Phase III studies in Asia had now been completed with results expected to be released mid year. The results from the earlier Phase II trial, reported on 31 July 2008, concluded that "*inhaled CS-8958 administered once only was statistically indistinguishable from 75mg of oseltamivir administered twice daily for 5 consecutive days"*.

"I would like to congratulate our partners Daiichi Sankyo for their sustained commitment to the development of CS-8958. The compound will complement the world's anti-influenza drug arsenal and will address the recognised need for additional antivirals" said Peter Cook, Biota's Managing Director.

About LANI's (Long-Acting Neuraminidase Inhibitors)

Current neuraminidase inhibitors for influenza require daily or more frequent dosing. The ability to dose patients on a weekly, or even less frequent, basis offers numerous benefits. Firstly, any stockpile of weekly-dosing drug will last longer and protect more people, in the case of an influenza pandemic. Additionally, a weekly dose may improve patient compliance over a more frequent regime.

About Daiichi Sankyo

Daiichi Sankyo Company, Limited was established in 2005 through the merger of two leading Japanese pharmaceutical companies.

**Further information, visit www.daiichisankyo.com*

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About Biota

Biota is a leading anti-infective 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 treatment of respiratory syncytial virus (RSV) disease, licensed to AstraZeneca 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 a key partnership with Daiichi Sankyo for the development of second generation influenza anti-virals.

Further information available at www.biota.com.au

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