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The Manager Companies ASX Limited 20 Bridge Street Sydney NSW 2000

(2 pages by email)

Dear Madam

## **R&D** Tax Incentive

Biotron Limited (ASX: BIT) is pleased to announce that is has received an R&D Tax Incentive refund of \$1.7 million for the 2012/13 financial year.

The R&D Tax Incentive is an Australian Government program under which companies receive cash refunds for 45% of eligible expenditure on research and development.

The incentive refund results from expenditure on Biotron's HIV and Hepatitis C virus (HCV) drug development programs.

Biotron's Managing Director, Dr Michelle Miller commented: "Whilst Biotron is fully funded for its current BIT225-008 trial, an important Phase 2, 12 week dosing trial of BIT225 in sixty patients infected with HCV genotypes 1 or 3, this R&D cash rebate will strengthen the Company's cash position and support ongoing underlying expenditure."

Yours sincerely

Peter J. Nightingale Company Secretary

pjn7690

## **About Biotron and BIT225**

Biotron Limited is engaged in the research, development, and commercialisation of drugs targeting significant viral diseases with unmet medical need, with a major focus on HIV and HCV. The Company has BIT225 in clinical development for both HIV and HCV, and also has several earlier stage preclinical and research programs for several other viral infections including Dengue.

BIT225 has recorded encouraging data against HCV in clinical trials. A phase 2a trial in HCV demonstrated that 100% of HCV genotype 1 infected patients receiving BIT225 (400 mg) in combination with current standard of care therapies interferon and ribavirin had undetectable virus after 48 weeks.

A phase 2 trial in HIV/HCV co-infected patients showed that all HCV genotype 3 patients completing 28 days of treatment with BIT225 in combination with interferon and ribavirin were clear of virus at the 3 and 6 month time points of the trial.

BIT225 is also in development for treatment of HIV, and is the first in a new class of antiviral drugs that may provide a new approach to eradication of this virus. It has shown clinical efficacy against HIV in reservoir cells, and has the potential to be combined with new or existing anti-retroviral drugs to eradicate long-lived pools of virus that are not eliminated with current treatments.

Biotron anticipates filing an Investigational New Drug (IND) application for BIT225 with the USA Food & Drug Administration (FDA) in mid-2014. This will be a key milestone in the Company's path towards successful commercialisation of its technology. Based on advice received from international advisors, the 12 week dosing trial and the anticipated IND filing will best position BIT225 for licensing to a major pharmaceutical company.

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