

Biota Holdings Limited

ACN 006 479 081

10/585 Blackburn Road
Notting Hill VIC 3168
Australia**T** +61 3 9915 3700**F** +61 3 9915 3702**E** info@biota.com.au**W** www.biota.com.au*For Immediate Release*

Melbourne, Australia — 23 October 2012

Biota Holdings Limited – shareholder meeting

Biota Holdings Limited (ASX:BTA) will today address shareholders at the shareholder meeting relating to the proposed merger of Biota and Nabi Biopharmaceuticals, to be held in Melbourne at 2.00pm.

Attached is a copy of the address to be delivered by the Chairman, James Fox.

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 include a series of candidate drugs aimed at treatment of respiratory syncytial virus (RSV) disease and Hepatitis C (HCV) virus infections. Biota has a well advanced program for human rhinovirus (HRV) infection with a completed Phase IIb study in asthmatic subjects.

In addition, Biota and Daiichi Sankyo co-own a range of second generation influenza antivirals, of which the lead product Inavir[®], is marketed in Japan. Biota holds a contract from the US Office of Biomedical Advanced Research and Development Authority (BARDA) for the advanced development of Icaninamivir in the USA.

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

Inavir[®] is registered to Daiichi Sankyo.

Further information**Investor / Analyst Enquiries****Biota Holdings Limited**

Peter Cook

T: +61 3 9915 3720

Damian Lismore

T: +61 3 9915 3721

Shareholder Enquiries

Biota Shareholder Information Line

T: 1300 306 230 (within Australia)

T: +61 2 8280 7169 (International)

Between 8.30am and 7.30pm

(Melbourne time)

Media Enquiries

Nerida Mossop, Hinton & Associates

T: +61 3 9600 1979 / M: +61 437 361 433

Felicity Williams, Hinton & Associates

T: +61 3 9600 1979 / M: +61 416 770 012

US Enquiries

Hershel Berry, Blueprint Life Science Group

M: +1 415 505 3749

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CHAIRMAN'S ADDRESS

Ladies and gentlemen

This is an historic day for Biota and the development of our Company. Overnight, Nabi shareholders approved the merger of Nabi and Biota. Today, Biota shareholders get the opportunity to complete the second step in the process.

At this time, I would like to remind everyone that the merger is about driving value from our business and our portfolio for all of our shareholders. Clearly, with so much of our near term value associated with LANI and the \$231 million contract with BARDA of non-dilutive funding to deliver the program in place, and much of that program to be completed in the USA - it is a major component of our launch platform.

US key to unlocking value

- Primary objective is to drive value for shareholders through exposure to deeper, more focussed capital markets and USA based management
- A USA focus should deliver greater value from our portfolio with our flu drug Laninamivir offering a clear opportunity
 - BARDA influenza drug contract is highly US focused
 - USA based sub-contract manufacturing facility
 - High US clinical component
 - FDA regulatory requirements
 - BARDA's Washington location
 - Assuring success requires significant USA Biota presence
 - On completion, major customer for the flu drug is the USA Government

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However, it is also the Board's view that a direct exposure to the world's largest pharmaceutical capital market combined with experienced, USA based head office leadership should lead to a significant repositioning of the company. That larger capital market creates the opportunity for a deeper exploitation of our current product portfolio and the capacity to add other value driving and related programs should that opportunity arise. LANI's development is the first and most obvious beneficiary of our move, given that most of the key milestones are US focussed and driven. For example, through contract manufacturers we are establishing USA domiciled supply lines to meet future US demand, we are setting up to conduct the bulk of our clinical trials in the USA and our regulatory compliance is focused on USA requirements. Further, BARDA is USA based and should we successfully move our product through and complete the development program, BARDA is a very significant potential customer. Our success in delivering on this contract and creating value for all shareholders will benefit greatly from a USA presence.

The Combined Company

Will Possess Multiple Attractive Qualities

	Biota Pharmaceuticals
Three royalty generating products	✓
\$231m BARDA contract	✓
Balance of clinical and preclinical products	✓
\$70m+ of cash	✓
Flexibility of funding for future clinical programs	✓
Register > 30% US shareholders, with immediate liquidity	✓

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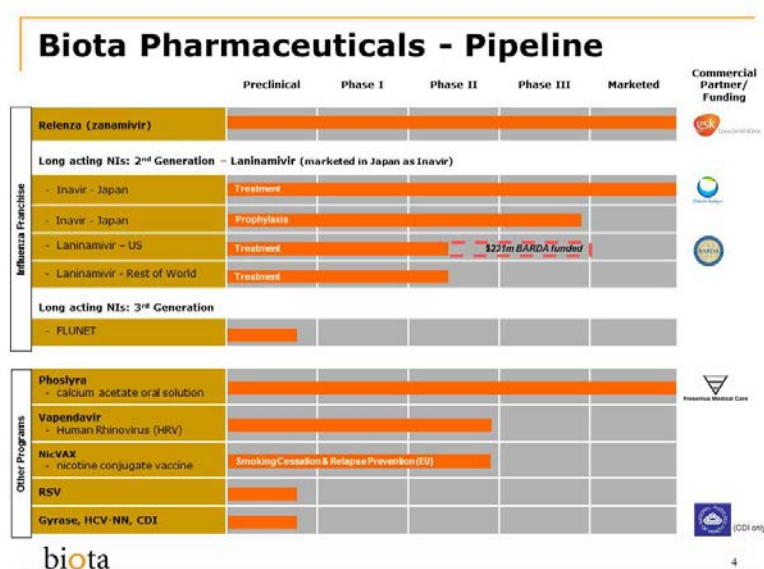
Our merger with Nabi to create Biota Pharmaceuticals Inc should have many attractive features for US investors, including the appointment of an experienced and senior executive in Russell Plumb to the role of President and CEO should this merger proceed. We are trying to position ourselves as an attractive proposition to US investors as we believe that this will provide support for our share price. The combined company at commencement will have:

- A USA based CEO known to the Wall St capital markets with an outstanding track record;
- Three (3) royalty generating products in Relenza, Inavir and Phoslyra;
- A contract for the advanced development of LANI with BARDA for up to US\$231 million;
- A suite of clinical and preclinical products &/or programs;

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- Over US\$70 million in cash and therefore no requirement for, or perceptions of, a near term need to raise money; and
- A NASDAQ listed company with a share register of over 30% USA domiciled shareholders which should greatly assist with share trading liquidity.

While the combined pipeline provides an excellent base for the new USA based company, the role of management will include, not only the task of maximising the value release from this existing list, but also exploiting the NASDAQ created opportunity of evaluating external programs at a suitable stage of development which can help drive the market capitalization of the company more quickly to the scale where even greater interest from the capital markets can be generated.



So the proposition before us today is to:

- Approve the Merger of Biota and Nabi to create a NASDAQ listed entity, Biota Pharmaceuticals Inc.
- Under the Merger, the current Biota shareholders will own approximately 83% of the combined business, and current Nabi shareholders will own approximately 17%, in exchange for Nabi's contribution of US\$27 million in cash.
- The Merger will strengthen Biota's cash position on competitive terms, and provide Biota Pharmaceuticals with more than US\$70 million upon its listing on NASDAQ.
- The Merger will provide Biota Pharmaceuticals with an existing and meaningful United States shareholder base on implementation.
- As set out in the Supplementary Explanatory Memorandum, the Independent Expert, Lonergan Edwards & Associates, has concluded that the Merger is in the best interests of shareholders, in the absence of a Superior Proposal.

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Your Directors unanimously recommend you vote in favour of the Scheme, and each Director intends to vote all of the Biota shares held or controlled by them in favour of the resolutions to approve the Merger.

Your Directors believe the proposal is the best way to improve the value of your Biota shares.

If approved by shareholders today, Biota will seek the final approval of the Supreme Court of Victoria on Friday 26 October. If court approval is granted, the last day of trading of Biota shares on the ASX will be Tuesday 30 October. If the Merger is approved and is implemented, Biota Pharmaceuticals shares are expected to commence trading on NASDAQ on 9 November.

The implementation date for the Merger is 9 November. On the implementation date:

- Nabi must deliver a certificate to Biota confirming that Nabi has net cash of at least US\$27 million;
- Following the issue of the certificate, Nabi will issue the new shares in Biota Pharmaceuticals, which will constitute the scheme consideration; and
- Upon Nabi providing Biota confirmation that the new shares in Biota Pharmaceuticals have been issued, all the Biota shares on issue will be transferred to Nabi.

If Nabi does not deliver to Biota the certificate confirming that Nabi has net cash of at least US\$27 million, Biota may terminate the Scheme with immediate effect. In the event that Biota terminates the Scheme:

- The Merger will not proceed;
- Biota shareholders will retain their Biota shares;
- Biota will retain its listing on the ASX; and
- Nabi will not issue new shares in Biota Pharmaceuticals.