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NOVEL MODE OF ACTION FOR VIR201 HIV THERAPEUTIC VACCINE PUBLISHED IN PRESTIGIOUS AIDS JOURNAL

Australian bio-pharmaceutical company Virax Holdings Limited (ASX:VHL) is pleased to advise that work conducted by Royal Perth and Fremantle Hospital clinical immunologist Professor Martyn French on a proposed novel immunological mechanism of action for the Company's VIR201 HIV immunotherapy vaccine has been published in the esteemed scientific journal, AIDS.

The full paper has been published in Vol 24 of AIDS (on pages 1983-1990) and is entitled "*Vaccine-induced IgG2 antiHIV p24 is associated with control of HIV in patients with a 'high affinity' FcγRIIIa genotype*".

This paper contains data that has not previously been available in the public domain.

It builds on data reported in a Virax ASX announcement on July 22, 2009 which proposed an immune mechanism through which VIR201 potentially exerts an antiviral effect. The new data pinpoints the importance of a particular immune system protein which could aid in identifying patients responsive to VIR201 vaccination.

Professor French's work has showed;

- That the level of a particular type of antibody (IgG2 antibody) directed against a HIV protein (p24) was elevated in the group that received VIR201 and that this correlated with the patient's ability to suppress HIV viral load, and
- That patients who controlled viral load most effectively were those with not only elevated IgG2 antibodies but who also had a particular high affinity form of protein (FcγRIIIa) found on antigen presenting cells (APCs). APCs are critical cells in generating immune responses against foreign agents including HIV. FcγRIIIa proteins are important components of the machinery that performs this function.

As IgG2 antibodies are known to bind to the FcγRIIIa protein, a mechanism of action for the vaccine has been postulated whereby VIR201 induces higher levels of IgG2 antibodies against HIV proteins and the antibody binds to the FcγRIIIa proteins and activates the immune response - which then is effective in reducing the levels of HIV in the body.

The Company made an announcement (on 10 December 2009) regarding a patent application relating to this work. The patent relates to the identification of patients most likely to respond to VIR201 based on the mode of action of VIR201.

Professor French and his team have previously noted that because of recent high profile failures in the preventative vaccine arena it was important that new strategies for producing immune responses, other than purely T cell-based HIV vaccines approaches are pursued. This is such a novel mechanism of action.

Publication in such a highly regarded peer reviewed scientific journal is acknowledgement of the quality of these important trial results and further validation of the science underlying the Co-X-Gene™ Technology and VIR201.

VIR201 HIV Therapeutic Vaccine Trial Results

The Company advises that it remains on schedule for the imminent release of the results of the Phase IIa Clinical Trial for its VIR201 HIV therapeutic vaccine, and looks forward to releasing details of the trial results in the near future.

The Preliminary report will detail results of a comprehensive immune monitoring program designed to measure and compare antibody and T-cell immune responses generated in both the trial's VIR201 participant group and the control group.

The US\$6 million trial has been funded by a global coalition of multinational and South African companies in a non-dilutive manner for Virax shareholders.

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About Virax Holdings

Virax is an Australian biopharmaceutical company engaged in the discovery and development of novel immunotherapeutic products for the treatment of chronic infectious diseases and cancer.

The Company's lead product is VIR201, a HIV/AIDS immunotherapeutic (therapeutic vaccine) utilising Co-X-Gene™ technology, which has been successfully tested in two clinical trials in Australia. A Phase IIa Clinical Trial for VIR201 is nearing completion in South Africa.

Virax also has a Licence Agreement with major French biotechnology company Transgene (Eurolist Paris: FR0005175080) for access to Virax's Co-X-Gene™ technology for use in two of Transgene's immunotherapeutic products. These are; TG4001 - a treatment for pathologies relating to human papilloma virus (HPV) infection that can lead to cervical cancer, and TG4010 – a treatment for non-small cell lung cancer (NSCLC).