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ASX Announcement
26 February 2010

HALF YEAR RESULTS

Melbourne, Friday 26 February 2010: Australian biopharmaceutical development company BioDiem Ltd (ASX: BDM) today announced the release of its interim results for the half-year ended 31 December 2009.

Name of Entity and ABN: BioDiem Limited ABN 20 096 845 993

Reporting Period: 31 December 2009

Previous Corresponding Period: 31 December 2008

Results for announcement to the market

	2009 \$m	2008 \$m	Change \$	Change %
Revenue from ordinary activities	nil	1,223	1,223	Down 100%
Operating loss from ordinary activities after income tax	(2,086)	(0,324)	(1,762)	Up 544%
Operating loss attributable to members	(2,086)	(0,324)	(1,762)	Up 544%
Net tangible assets per security	0.025 cents	6.71 cents	(6.685) cents	Down 99.6%
Earnings per share	(2.7) cents	(0.4) cents	(2.3) cents	Down 575%

No dividends have been declared or are expected to be declared.

Commentary on the results is provided in the Directors' report, which forms part of the half year report ended 31 December 2009.

BioDiem's Chief Executive Officer, Julie Phillips, commented "As a result of the return of the Japanese rights to the LAIV technology BioDiem did not receive the US\$1million payment from Nobilon. This is reflected in the comparison between the current period and corresponding period in 2008. As announced in December 2009, attaining the Japanese rights to the technology, including manufacturing, allows BioDiem to out-license the complete Japanese rights package and the Company is confident in its ability to secure a deal for this territory given the market interest in influenza and benefits of the LAIV technology. The Company is already in early stage discussions with a number of potential licensees. "

-ENDS-

About BioDiem Ltd

BioDiem is an ASX-listed company, based in Melbourne, with an international focus on finding, adding value to and commercializing world-class research for vaccines, infectious diseases and other therapeutic areas. The company uses a cost-efficient approach to drug development through collaborations with academic centres of excellence, contract research organizations and partnerships with international pharmaceutical companies.

BioDiem's leading product is the Live Attenuated Influenza Vaccine (LAIV) technology, a novel intranasal vaccine being developed to prevent infection from endemic and pandemic influenza. The technology was licenced to BioDiem by the Institute of Experimental Medicine in St Petersburg. In 2004, BioDiem licenced the LAIV technology to Nobilon International B.V. (now part of Merck & Co, Inc.). It is currently in Proof of Concept (Phase II) stage clinical trials as part of its development for European registration.

BioDiem's second product is BDM-E, a small synthetic peptide being developed for the treatment of retinal eye diseases. It is currently in pre-clinical testing.

About LAIV Technology

The Live Attenuated Influenza Vaccine (LAIV) is delivered by nasal spray which is easier to administer than traditional influenza injections which require intramuscular delivery. The vaccine contains live viruses but because they are attenuated (weakened) they cannot cause illness. The viruses are cold-adapted and temperature sensitive so that they cause infection only at the cooler temperatures found within the nose, and not in the lungs or other areas where warmer temperatures exist.

For additional information, please visit www.biodiem.com

Further information

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