ASX and Media Release

Positive Interim Phase 2 Trial Results for CAVATAK™, Novel Cancer Immunotherapy

Data presented at American Association of Cancer Research (AACR) Conference

- *Continued positive clinical progress with activity in tumours at multiple non-injected sites, including lung metastases, as well as the injected tumours*
- *Partial or complete resolution of non-injected tumours; evidence to support a dual mechanism of action, (i) CAVATAK™'s targeted direct cancer killing activity and (ii) generation of patient anti-cancer immune responses*
- *Continues to be well tolerated by patients*
- *Promising results in a preclinical study when CAVATAK™ used in conjunction with anti-PD-1 antibodies supports combination clinical trial*
- *Dr Andtbacka to recap highlights from presentation for analysts and investors via teleconference on April 10 2014(AEST)*
- *Comprehensive clinical data to be presented at ASCO conference on June 2 2014 (Developmental Therapeutics - Immunotherapy Session)*

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8 April 2014, Sydney, Australia: Viralytics Limited (ASX:VLA, OTC:VRACY) reports that Dr Robert Andtbacka, lead study investigator, Huntsman Cancer Institute, Utah, presented additional positive interim results from the ongoing Phase 2 CALM clinical trial at the American Association of Cancer Research (AACR) Conference.

The presentation, available on the Viralytics website, is entitled:

"*CAVATAK™-mediated oncolytic immunotherapy in advanced melanoma patients".*

New Clinical Data Shows Anti-tumour Activity at Non-injected Sites

Dr Andtbacka's presentation focussed on CAVATAK™'s activity in non-injected metastatic tumours in patients participating in the CALM study. Investigators reported partial or complete reduction of non-injected tumours in multiple patients who had been on treatment at least 8 weeks. These findings provide promising evidence of oncolytic immunotherapy, which is when anti-cancer activity is observed in tumour cells at the site of injection as well as in tumours at distant body locations.

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Dr Andtbacka said: "Reductions in non-injected tumours are a key measure of success for intralesional therapies such as CAVATAK™, as it suggests generation of an anti-cancer immune response in addition to CAVATAK™'s targeted cancer cell killing at the site of injection. These interim results are very encouraging, and I look forward to providing a more in-depth clinical update at ASCO in June."

CAVATAK™ continues to be well tolerated by patients with no reports of serious adverse events[1] or grade 3/4 adverse events[2] related to the CAVATAK™ treatment.

Preclinical Combination Data Also Presented

Dr Andtbacka also presented results from a preclinical study assessing the combination of CAVATAK™ with a new class of cancer therapy, anti-PD-1 monoclonal antibodies (mAb). The combination demonstrated significantly greater *in vivo* anti-cancer activity compared to the anti-PD-1 mAb or CAVATAK™ treatment alone.

Dr Andtbacka said: "The preclinical results of CAVATAK™ in combination with an anti-PD-1 antibody look promising. These findings, along with the immunotherapeutic activity seen in the CALM trial, support a potentially significant application of CAVATAK™ in combination with anti-PD-1 antibodies that warrants clinical investigation."

Viralytics Chief Executive Officer, Dr Malcolm McColl said: "These data demonstrating anti-cancer activity of CAVATAK™ in patients with serious metastatic disease is further positive news for Viralytics. The strong preclinical results of CAVATAK™ in combination with an anti-PD-1 antibody is also important as we assess the best possible commercial application of CAVATAK™."

The AACR conference, held in San Diego, California has over 17,000 participants, including the pharmaceutical industry. The meeting focuses on the most compelling emerging fields of cancer research.

Teleconference Scheduled to Recap Presentation

Investors and analysts are invited to join a teleconference where Dr Andtbacka will step through the AACR presentation and then be available for questions. Dr Andtbacka will be joined on the teleconference by Dr Malcolm McColl and Viralytics Chief Scientific Officer, Dr Darren Shafren.

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1 A Serious Adverse Event is defined as any Adverse Event or Suspected Adverse Reaction that, in the view of the investigator or sponsor, results in any of the following outcomes: Death, Life-threatening AE, Inpatient hospitalization or prolongation of existing hospitalization, Persistent or significant incapacity or substantial disruption of the ability to conduct normal life functions, Congenital anomaly/birth defect, Any "other" important medical event.

[2] Grade 3/4 Adverse Events related to study treatment are events which can indicate toxicity to the study treatment.

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If you would like to join the teleconference, please use the following dial in details:

Conference ID: 729177

Country	Date	Time	Dial In
Australia (AEST)	April 10 2014	2am	Toll: +61 2 9007 3187 (can be used if dialing from international location) Toll-free: 1800 558 698
USA			
Pacific	April 9 2014	9am	Canada/USA Toll Free: 1855 8811 339
Mountain	April 9 2014	10am	
Central	April 9 2014	11am	
Eastern	April 9 2014	12 noon	
UK	April 9 2014	5pm	United Kingdom Toll Free: 0800 051 8245

Please dial into the teleconference at least 10 minutes before the start of the presentation.

The teleconference will be recorded and a link provided on the Viralytics website.

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About Viralytics Ltd:

Viralytics is developing oncolytic immunotherapy treatments for a range of cancers. Viralytics' lead investigational product, CAVATAK™, is a proprietary formulation of the common cold Coxsackievirus Type A21 (CVA21). CVA21 binds to specific 'receptor' proteins highly expressed on multiple cancer types including, but not limited to: melanoma; prostate, lung, breast and bladder cancers; and multiple myeloma. CAVATAK™ acts to kill both local and metastatic cancer cells through cell lysis and the potential generation of an immune response against the cancer cells. Together this mechanism of action is known as oncolytic immunotherapy. CAVATAK™'s preferential targeting of cancer cells provides the potential for low toxicity in the patient.

The company has fully enrolled a phase 2 clinical trial of intratumourally administered CAVATAK™ in the treatment of Late stage Melanoma (the CALM study), at multiple prestigious cancer clinics in the US.

Viralytics has commenced a Phase 1/2 trial of CAVATAK™ delivered systemically (intravenously). This trial, referred to as the STORM (Systemic Treatment Of Resistant Malignancies) study, will enrol patients with melanoma, prostate, lung or metastatic bladder cancers. The second stage of the STORM trial will include combination treatments with existing chemotherapies in one of the above cancer types. The STORM trial is being conducted at three UK cancer centres.

Based in Sydney Australia, the company is listed on the Australian Securities Exchange (ASX: VLA) while Viralytics' ADRs also trade under VRACY on the US OTCQX International market.