

Helix BioMedix Announces Anti-Infective Collaboration with Smith & Nephew

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Helix BioMedix (OTC Bulletin Board: HXBM.OB) today announced that it has signed a memorandum of understanding with Smith & Nephew (NYSE: SNN; LSE: SN), one of the world's leaders in advanced wound management, which gives Smith & Nephew a right of first offer to license certain rights to a number of wound related indications for HB50, a Helix BioMedix proprietary peptide. In return, Smith & Nephew agree to provide input on the pre-clinical and clinical development of HB50 as a topical anti-infective for use in wound care. Under the terms of the memorandum of understanding, Smith & Nephew will be providing wound management expertise to the Helix BioMedix development team throughout the development process.

"We are very pleased that a company with such a presence in the wound management field has decided to provide us with input concerning our anti-infective development program," stated R. Stephen Beatty, President and CEO. "The anti-infective market today is in need of new products to replace existing products that have become ineffective against certain antibiotic-resistant pathogens."

"We look forward to providing input to Helix BioMedix to further their development of their exciting peptide technology as it relates to wound management," said Jim Dick, President of the Wound Management division of Smith & Nephew.

HB50 is the Company's lead topical anti-infective peptide. Its attributes include broad spectrum activity, lack of resistance induction, cost effective synthesis, stability and activity against multiply-antibiotic-resistant pathogens. In pre-clinical testing, HB50, in a gel formulation, has been shown to significantly reduce the numbers of Staphylococcus aureus in an abraded skin infection model and in the majority of cases eradicate the organism. Due to potent activity against multiply-resistant S. aureus, HB50 holds great potential for the prevention of wound infections. In addition, with activity against other gram-positive bacteria and gram-negative bacteria such as Pseudomonas aeruginosa, the peptide also has application in the areas of burn wounds and dermatology.

About Helix BioMedix:

Helix BioMedix, Inc. is an early-stage biotechnology company that has a portfolio of issued patents that covers six distinct classes of peptides, covering over 100,000 unique peptide sequences. The company's mission is to become the industry leader in developing and commercializing small proteins known as bioactive peptides. The antimicrobial and wound healing properties of these peptides qualify them for inclusion in a wide range of both pharmaceutical and consumer products. The company is currently focused on the development of selected peptides as topical anti-infectives and in wound healing. Non-pharmaceutical applications being pursued by Helix BioMedix include adjuvants for cosmetics/cosmeceuticals, personal care, plant health, animal health and wide-spectrum biocides. More information about the company and its proprietary peptides can be found on the company's website at <http://www.helixbiomedix.com>.

About Smith & Nephew:

Smith & Nephew is a medical technology business with a leading global market position in wound

management. Smith & Nephew is dedicated to helping improve people's lives. The company prides itself on the strength of its relationships with its professional healthcare customers, with whom its name is synonymous with high standards of performance, innovation and trust. The company has over 8,000 employees and operates in 32 countries around the world and generated annual sales of nearly \$2 billion.

Important Notice:

Certain matters discussed in this release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on the opinions of management as of the date of this release and are subject to risks and uncertainties that could cause actual results to differ materially from any future results or achievements implied by such statements. Factors that might cause such difference include, but are not limited to, uncertainties with respect to the Company's ability to obtain the necessary capital resources to implement and pursue any initiatives that require clinical trials conducted under the purview of the U.S. Food and Drug Administration. Reference should be made to Helix BioMedix's public disclosure documents including Form 10-QSB filed for the third quarter of 2004 and on file with the Securities and Exchange Commission.