

## Helix BioMedix Reports 2005 Financial Results

*Mar 28, 2006 - Bothell, Washington*

Helix BioMedix, Inc. (HXBM.OB), a developer of bioactive peptides, today announced financial results for the year ended December 31, 2005.

For 2005, Helix BioMedix reported a net loss of \$3,277,239, or \$0.18 per diluted share, compared to a net loss of \$3,109,274, or \$0.23 per diluted share, in the comparable prior year period. Revenue for 2005 was \$108,408 compared to \$93,661 for 2004. Revenue for 2006 will be dependent on the sales of products that incorporate the company's peptides as well as Helix BioMedix's ability to enter into collaborative or licensing agreements with third parties.

On December 31, 2005, Helix BioMedix had cash and cash equivalents of approximately \$2.8 million compared to approximately \$1.9 million at December 31, 2004. Shares outstanding at December 31, 2005 were 20,190,514. In the first quarter of 2006, the company received proceeds from a private placement of common stock, raising approximately \$2.6 million in additional cash in exchange for 2,598,000 shares of common stock and warrants to purchase an additional 259,800 shares of common stock.

"We have made significant progress during 2005 to take the company beyond the discovery and development phase and transitioning into a revenue-generating commercial entity," commented R. Stephen Beatty, President and Chief Executive Officer. "Today, one of our leading proprietary peptides, Oligopeptide-10, is incorporated in Levlad's Nature's Gate® Organics Natural Results™ Acne Treatment System and in a new skin care product from American Global Health Group. As we stated last quarter, while revenues were not expected to be material in the fourth quarter, we do look forward to these products' potential success in the market as well as the introduction of additional products that contain our peptides in 2006 and beyond."

"In January we outlined our strategic milestones which were formulated to further build our business for the long-term. Our goals for 2006 are as follows:

- anticipate five additional peptide-based products launched into the personal care markets,
- deliver two newly developed peptide-based ingredients to our personal care marketing and formulation partners,
- expand the use of our peptides into additional markets such as anti-aging, oral care and deodorants,
- file additional patents and improve our technology platform and product portfolio, and
- advance preclinical testing of our "small molecule peptide" dermatology application.

"I am pleased to report that we have already begun to make progress towards these goals. In early 2006, we filed a patent application related to a new generation of small molecule anti-microbial hexapeptides. These new hexapeptides resemble therapeutic drugs in structure and have been found in our initial laboratory testing to be stable and active in biological environments. They also appear to have low toxicity and will be cost-effective to manufacture, all key qualities needed for future commercial success. We currently believe there could be exciting opportunities for these small peptides in dermatological applications such as acne, dermatitis, roseacea and fungus. We are also very enthusiastic about the prospective flow of new products resulting from our recently announced relationship with Grant Industries. The products being co-developed with Grant Industries primarily rely upon our established portfolio of peptides. This combination of our

existing peptides and our new generation of hexapeptides should position us to generate near-term revenue in the personal care markets, and makes us very optimistic about our prospects in 2006 and beyond.”

#### **About Helix BioMedix**

Helix BioMedix, Inc. is a biopharmaceutical company that has a portfolio of issued patents that covers six distinct classes of peptides, including 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 applications. 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 [www.helixbiomedix.com](http://www.helixbiomedix.com).

#### **Important Notice**

This press release contains forward-looking statements (statements which are not historical facts) within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding activities, events or developments that the company expects, believes or anticipates may occur in the future, including statements related to our potential growth, product development and commercialization and revenue. A number of factors could cause actual results to differ from those indicated in the forward-looking statements, including the company's ability to successfully raise additional capital, enter into revenue generating license agreements, continue its research and development efforts, including pre-clinical and clinical studies, and general economic conditions. Additional assumptions, risks and uncertainties are described in detail in our reports and other filings with the Securities and Exchange Commission. Such filings are available on our website or at [www.sec.gov](http://www.sec.gov). Readers are cautioned that such forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those set forth in the forward-looking statements. The company undertakes no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances.

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--financial tables follow--

**Helix BioMedix, Inc.  
Financial Highlights**

## Statement of Operations

	Years Ended December 31,	
	<u>2005</u>	<u>2004</u>
Revenue	\$108,408	\$93,661
Operating expenses	3,431,733	3,231,498
Interest Income	46,086	22,110
Net Loss	(3,277,239)	(3,109,274)
Basic and diluted net loss per share	(0.18)	(0.23)

## Balance Sheet

	December 31,	
	<u>2005</u>	<u>2004</u>
Cash and cash equivalents	\$2,827,959	\$1,908,028
Property and equipment, net	168,063	211,716
Patents pending and approved	505,908	547,018
Total assets	3,741,940	2,867,080
Loss from operations	(849,539)	(684,159)
Total current liabilities	224,359	188,046
Total stockholders' equity	3,517,581	2,679,034
Total liabilities and stockholders' equity	3,741,940>	2,867,080