

Helix BioMedix Reports Third Quarter 2007 Financial Results

Nov 09, 2007 - Bothell, Washington

Helix BioMedix, Inc. (HXBM.OB), a developer of bioactive peptides, today announced financial results for the third quarter ended September 30, 2007.

Revenue for the three months ended September 30, 2007, was approximately \$159,400, compared to approximately \$18,800 for the comparable period in 2006. For the nine months ended September 30, 2007, revenue was approximately \$358,400, compared to approximately \$66,900 for the comparable period in 2006.

Net loss for the three months ended September 30, 2007 was approximately \$899,800, or \$(0.04) per share, compared to approximately \$870,500, or \$(0.04) per share, for the comparable period in 2006. For the nine months ended September 30, 2007, net loss was approximately \$2.5 million, or \$(0.10) per share, compared to approximately \$2.9 million, or \$(0.13) per share, for the comparable period in 2006.

As of September 30, 2007, cash, cash equivalents and marketable securities totaled approximately \$2.0 million.

“The third quarter of 2007 marked our fourth consecutive quarter of sequential revenue growth driven by increased licensing revenue, serving as further evidence of our ability to commercialize our innovative peptides,” stated R. Stephen Beatty, President and Chief Executive Officer of Helix BioMedix. “In addition, we have emerged from a development stage enterprise and have demonstrated measurable progress towards each of our 2007 strategic milestones. First, our partnership with DermaVentures continues to progress with the recent completion of the first round of manufacturing of P.A.C. Perfect™ (Peptide-powered Acne Control). Additionally, DermaVentures has completed the final stage of its infomercial targeting the Hispanic market, and it remains on track to launch P.A.C. Perfect prior to the end of the year.”

“Next, our proprietary peptide-based, anti-aging product line is nearing final formulation, and we expect its commercial release during 2008. Third, our specialty materials marketing initiative experienced a number of successes during the quarter, including expanded licensing agreements with our marketing partners. The number of retailers carrying products incorporating our peptides continues to grow and includes, CVS, Rite Aid, Walgreens, Whole Foods, Wild Oats, GNC, Nordstrom, ShopNBC, Sephora, Target, the Home Shopping Network, among others.”

Beatty concluded, “We are continuing our efforts in the development of our pharmaceutical program and have recently entered early discussions with a number of potential partners. The company is developing a broad-spectrum topical anti-infective capable of addressing the significant problems associated with antibiotic resistant pathogens, such as MRSA. The first clinical program will target the dermatological market with plans to extend into critical care. Additionally, we are in the process of interviewing several investment banks to assist us in obtaining the required funding to successfully continue with the development of this strategic program.”

About Helix BioMedix, Inc.

Helix BioMedix, Inc. is a biopharmaceutical company with an extensive library of diverse bioactive peptides and patents covering six distinct classes and hundreds of thousands of peptide sequences. Our mission is to enrich clinical practice and the patient/consumer experience by developing topically-applied products which offer the health, beauty and safety benefits of our advanced bioactive small molecule technology. Our vision is to be recognized as the world leader in the identification, qualification and commercialization of natural and synthetic peptides.

Our core competencies include peptide design, synthesis and characterization together with assay development, screening, tissue culture and microbiology, leveraged through relationships with contract research organizations and peptide manufacturers. We have the capability to take our product development programs from theoretical concept to a validated and qualified skin care active ingredient fully validated as to efficacy and safety. Applications for Helix BioMedix peptides include anti-aging cosmeceutical skin care and acne treatment as well as other topical anti-infective pharmaceuticals and wound healing applications. In addition, we are developing finished, peptide-based products to market with our partners.

More information about the company and its proprietary peptides may be found on the company's website at www.helixbiomedix.com.

Forward-Looking Statements

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 its 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, continue developing marketable peptide-based products and general economic conditions. Additional assumptions, risks and uncertainties are described in detail in the company's reports and other filings with the Securities and Exchange Commission. Such filings are available on the company's website or at 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.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Revenue:	\$ 159,368	\$ 18,841	\$ 358,444	\$ 66,940
Operating expenses:				
Cost of peptide sales	53,277	6,620	63,698	162,991
Other cost of revenue	20,396	-	20,396	-
Research and development	174,615	278,256	582,570	772,341
Depreciation and amortization	44,172	46,141	132,138	136,477
Accounting, legal and professional fees	140,909	73,602	423,132	210,023
General and administrative	650,228	504,783	1,752,271	1,718,101
Total operating expenses	1,083,597	909,402	2,974,205	2,999,933
Loss from operations	(924,229)	(890,561)	(2,615,761)	(2,932,993)
Other income:				
Interest income	24,461	20,054	72,342	55,698
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Net loss	\$ (899,768)	\$ (870,507)	\$(2,543,419)	\$(2,877,295)
Basic and diluted net loss per share	\$ (0.04)	\$ (0.04)	\$ (0.10)	\$ (0.13)
Weighted average shares outstanding	25,653,512	22,788,514	24,966,608	22,192,979

HELIX BIOMEDIX, INC.
CONDENSED BALANCE SHEET HIGHLIGHTS
(Unaudited)

	September 30, 2007	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,203,329	\$ 1,276,901
Marketable securities	800,000	980,000
Accounts receivable	192,378	-
Inventory	39,031	-
Prepaid expenses and other current assets	34,441	93,342
Total current assets	2,269,179	2,350,243
Property and equipment, net	149,076	194,728
Patents pending and approved, net	393,599	441,733
Other assets, net	67,094	73,840
Total assets	\$ 2,878,948	\$ 3,060,544

LIABILITIES AND STOCKHOLDERS' EQUITY

Total liabilities	345,174	262,467
Total stockholders' equity	2,533,774	2,798,077
Total liabilities and stockholders' equity	\$ 2,878,948	\$ 3,060,544