

Helix BioMedix Reports Second Quarter 2007 Financial Results

Aug 10, 2007 - BOTHELL, Wash.

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

Revenue for the second quarter was \$141,000 as compared to \$30,000 in the second quarter of 2006. The increase in revenue was primarily due to increased pass-through sales of peptides for use in the consumer market including \$64,000 of sales to DermaVentures, a related party formed during the quarter.

For the second quarter of 2007, the net loss was \$831,000, or (\$0.03) per share, as compared to a net loss of \$1.2 million, or (\$0.05) per share, for the second quarter of 2006. As of June 30, 2007, cash, cash equivalents and marketable securities totaled \$2.7 million.

"During the second quarter we made significant progress towards each of our four key objectives for 2007 furthering the commercialization of our innovative peptides," stated R. Stephen Beatty, President and Chief Executive Officer of Helix BioMedix. "First, our partnership with DermaVentures is progressing as planned and we continue to expect the introduction of their P.A.C. (Peptide-powered Acne Control) Perfect product during the fourth quarter of 2007, which is targeted at the Hispanic market. They are in the process of filming infomercials that will be aired through Spanish language media outlets and manufacturing is underway to ensure adequate inventory to meet expected demand."

"Second, we remain on track for the introduction of a new peptide-based anti-aging product in 2008 and are currently in discussions with two potential marketing partners. Third, we continue to make progress with regard to our specialty materials marketing initiative, and in anticipation of future sales, have recently placed the largest peptide purchase order in the company's history. Currently, products containing Helix's peptides may be found in significant national and regional retailers including Walgreens, CVS, Longs, Rite Aid, Whole Foods and Wild Oats."

Beatty concluded, "Finally, we are taking steps towards the finalization of plans for our first entry into the pharmaceutical arena, and we have engaged a consultant to assist us in actively targeting potential partners over the next several months. As we have stated previously, we expect our initial pharmaceutical efforts to focus on topical applications targeted at the anti-infective dermatology market, particularly the areas of acne and dermatitis."

About Helix BioMedix

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 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 peptide technology.

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 Helix BioMedix 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.
Statements of Operations(Unaudited)

	Quarter Ended June 30,	
	2007	2006
Revenue	\$140,654	\$30,073
Operating expenses:		
Cost of peptide sales	10,421	151,368
Research and development	202,458	267,879
Depreciation and amortization	43,542	45,413
Accounting, legal and professional	133,746	70,763
Consulting fees	3,553	1,881
General and administrative	603,574	698,471
Total operating expenses	997,294	1,235,775
Loss from operations	(856,640)	(1,205,702)
Other (income (expense)):		
Interest income	25,478	21,183
Net Loss	\$ (831,162)	\$ (1,184,519)
Basic and diluted net loss per share	\$(0.03)	\$(0.05)
Weighted average shares outstanding	25,653,512	22,788,514

Balance Sheet Highlights (unaudited)

	June 30, 2007	December 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents	\$ 988,623	\$ 1,276,901
Marketable securities	1,754,971	980,000
Inventory	34,799	--
Accounts receivable, net	141,604	--
Prepaid expenses and other current assets	74,068	93,342
Total current assets	2,994,065	2,350,243
Property and equipment, net	147,958	194,728
Patents pending and approved, net	409,642	441,733
Other assets	70,800	73,840
Total assets	\$3,622,465	\$3,060,544

LIABILITIES AND STOCKHOLDERS' EQUITY

Total current liabilities	\$ 247,137	\$ 262,467
Total stockholders' equity	3,375,328	2,798,077
Total liabilities and stockholders' equity	\$3,622,465	\$3,060,544