

## Helix BioMedix Reports 2007 Financial Results

*-Significantly Increases Revenue and Executes on Key Business Milestones-*

*Mar 24, 2008 - Bothell, Washington*

Helix BioMedix, Inc. (HXBM.OB), a developer of bioactive peptides, today announced financial results for the year ended December 31, 2007.

Revenue for the twelve months ended December 31, 2007 was approximately \$0.5 million, compared to revenue of approximately \$71,000 for 2006. Net loss for 2007 was approximately \$3.4 million, or \$(0.14) per share, compared to approximately \$3.8 million, or \$(0.17) per share, for 2006.

As of December 31, 2007, the company's cash, cash equivalents and available-for-sale marketable securities totaled approximately \$1.1 million, and in February 2008 the company consummated a convertible debt financing of \$3.0 million.

"During 2007, we made significant progress towards leveraging our past efforts in science and development, which resulted in our successful transition from a development stage company to the recording of the company's first meaningful revenue as a commercial stage company," stated R. Stephen Beatty, President and Chief Executive Officer of Helix BioMedix. "I am also pleased to report that during the year we achieved each of the four key milestones we established one year ago, which serves as a measure of our progress and execution."

Beatty continued, "Looking forward to 2008, we expect to build upon our 2007 accomplishments and continue to commercialize our innovative bioactive peptides. In order to support our expected growth, we recently closed a \$ 3.0 million convertible debt financing, which will fund our operations during the coming year. We also entered into a peptide manufacturing and supply agreement to secure an adequate supply of specified peptides at fixed prices for an initial period of two years. For 2008, we are establishing three new key strategic milestones, comprised of the following:

- Launch a core anti-aging skin care product offering;
- Generate significant revenue from our licensing partnerships; and
- Initiate clinical development of our lead drug candidate.

Based on our expected execution of the above initiatives, we have established a goal of continuing to build strong revenue growth during 2008 followed by significantly higher revenue during 2009."

Beatty concluded, "We believe the long-term success of the company will be through further development of our pharmaceutical programs. Our goal is to initiate clinical development of our lead drug candidates either through strategic partnerships or by securing the necessary funding to launch our lipohexapeptide pharmaceutical programs. During 2007, we met with pharmaceutical companies regarding out-licensing opportunities; however, we believe the best way to maximize stockholder value is to further develop our lead lipohexapeptide drug candidates before seeking a pharmaceutical partner. With this in mind we will continue to update interested pharmaceutical companies while concurrently presenting our scientific data to life science investment groups with the goal of funding our lead drug candidates."

## Recent Financial and Business Highlights:

- Reported record revenue of almost \$500,000 in 2007
- Closed \$3.0 million convertible debt financing in February 2008
- Launched P.A.C. Perfect™ (Peptide-powered Acne Control) product line through strategic relationship with DermaVentures, LLC
- Entered into a broad-based marketing agreement with Evonik (formerly Degussa)
- Expanded marketing partnership with Grant Industries
- Entered into a peptide supply agreement that will assure adequate peptide supplies at fixed prices for a two-year term
- Appointed Robin Carmichael, a twenty-five year industry veteran, as Vice President – Marketing and Business Development
- Strengthened Board of Directors with the addition of Jack Clifford, former Chairman and CEO of ProCyte Corporation
- Established Dermatology Advisory Board
- Entered into discussions with pharmaceutical companies regarding licensing of our lipohexapeptide pharmaceutical program
- Entered into discussions with selected life science investment groups regarding the funding of our lipohexapeptide pharmaceutical 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](http://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](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.  
Balance Sheets  
(Unaudited)**

	<b>December 31,</b>	
	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$461,290	\$1,276,901
Marketable securities	700,000	980,000
Accounts receivable	83,915	-
Inventory	65,279	-
Prepaid expenses and other current assets	<u>144,074</u>	<u>93,342</u>
Total current assets	1,454,558	2,350,243
Deposits	8,522	4,211
Property and equipment, net	126,509	194,728
Intangible assets, net	<u>432,482</u>	<u>511,362</u>
Total assets	<u>\$2,022,071</u>	<u>\$3,060,544</u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		

Current liabilities:		
Accounts payable	\$95,071	\$65,549
Accrued compensation and benefits	63,813	108,6031
Accrued expenses	60,269	27,315
Deferred revenue	<u>130,000</u>	<u>61,000</u>
Total current liabilities	<u>349,153</u>	<u>262,467</u>
Deferred rent	<u>2,205</u>	<u>-</u>
Total liabilities	<u>351,358</u>	<u>262,467</u>

Commitments and contingencies

Stockholders' equity:

Preferred stock, \$0.001 par value, 25,000,000 shares authorized; none issued and outstanding		
Common stock, \$0.001 par value, 100,000,000 shares authorized; 25,653,512 shares outstanding at December 31, 2007; 22,788,514 shares outstanding at December 31, 2006.	25,654	22,788
Additional paid-in capital	29,211,972	26,908,198
Accumulated deficit	<u>(27,566,913)</u>	<u>(24,132,909)</u>
Total stockholders' equity	<u>1,670,713</u>	<u>2,798,077</u>
Total liabilities and stockholders' equity	<u>\$2,022,071</u>	<u>\$3,060,544</u>

**Helix BioMedix, Inc.**  
**Statements of Operations**  
**(Unaudited)**

	<b>Year Ended December 31,</b>	
	<b><u>2007</u></b>	<b><u>2006</u></b>
Revenue		
License and development fees	\$193,381	\$38,940
Peptide sales	\$206,160	\$32,000
Peptide sales to related party	<u>\$64,400</u>	<u>-</u>
Operating expenses:		
Cost of peptide sales	118,096	162,991
Other cost of revenue	20,396	-
Research and development:	782,075	988,451
Depreciation and amortization	174,225	180,755
Accounting, legal and professional	537,176	318,113

Marketing and business development	443,732	490,706
General and administrative	<u>1,906,820</u>	<u>1,832,858</u>
Total operating expenses	<u>3,982,520</u>	<u>3,973,874</u>
Loss from operations	<u>(3,518,579)</u>	<u>(3,902,934)</u>
Other income:		
Interest Income	<u>84,575</u>	<u>74,608</u>
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Net Loss	<u>\$(3,434,004)</u>	<u>\$(3,828,326)</u>
Basic and diluted net loss per share	(0.14)	(0.17)
Weighted average shares outstanding	25,139,745	22,343,087