

Helix BioMedix Reports First Quarter 2008 Financial Results

Reports Record Revenue

Continues to Execute on Strategic Goals and Objectives

May 16, 2008 - Bothell, Washington

Helix BioMedix, Inc. (HXBM.OB), a developer of bioactive peptides, today announced financial results for the first quarter ended March 31, 2008.

For the first quarter of 2008, the company reported record revenue of approximately \$240,000, compared to revenue of approximately \$58,000 in the same period one year ago. Net loss for the first quarter of 2008 was approximately \$1,275,000, or \$(0.05) per share, compared to a net loss of approximately \$812,000, or \$(0.03) per share, in the same period one year ago. The increase in the net loss was primarily attributable to approximately \$316,000 of interest expense and discount accretion associated with a convertible debt financing in the amount of \$3 million which closed on February 14, 2008. Also included in the net loss was approximately \$141,000 of changes in fair value of derivative instruments and \$30,000 of unrealized loss on marketable securities.

As of March 31, 2008, the company's cash and cash equivalents was \$3,165,000 compared to \$462,000 as of December 31, 2007. The increase in cash was associated with the \$3 million convertible debt financing. Current and non-current marketable securities were \$170,000 as of March 31, 2008 compared to \$700,000 as of December 31, 2007.

"Our revenue for the first quarter more than doubled the revenue we recorded in the fourth quarter of 2007 and serves as evidence of the progress we have made in our efforts to commercialize our innovative bioactive peptides," stated R. Stephen Beatty, President and Chief Executive Officer of Helix BioMedix. "During the quarter, we continued to execute on our business goals and objectives, including the February close of a \$3 million funding agreement that provides us with the necessary capital to support our operations throughout the remainder of the year. In addition, we also expanded our intellectual property portfolio through the recently announced issuance of a patent covering more than eighty of our proprietary peptides for use in cosmetic and skin care applications."

Beatty continued, "We have also made significant progress on our 2008 strategic initiatives. First, our anti-aging product line remains on schedule for launch in the second half of 2008. Our plan calls for the initial rollout of three to four products this year, followed by the release of eight to nine additional products in 2009. We also continue to make progress with our strategic partner, DermaVentures. DermaVentures' P.A.C. Perfect product line is currently shipping to customers and sales are expected to continue to increase throughout the remainder of the year. Next, as evidenced by our results in the first quarter, we have begun to generate significantly more revenue from our licensing partnerships. There are currently more than twenty-five products available in the market containing our peptides, and we expect that number to continue to grow throughout 2008."

Beatty concluded, "Finally, we are continuing our efforts to secure the funding required to move our lipohexapeptide program into clinical trials and have had a number of productive discussions with both industry and financial partners. As we have stated in the past, we believe that the clinical program represents a significant long-term opportunity for the company and our shareholders. As such, we are intently focused on initiating clinical development of our acne program before the end of the year."

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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HELIX BIOMEDIX, INC.
CONDENSED BALANCE SHEETS
(Unaudited)

	March 31, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,164,994	\$ 461,290
Marketable securities, current	-	700,000
Accounts receivable, net	102,091	83,915
Inventory	50,513	65,279
Prepaid expenses and other current assets	138,130	144,074
Total current assets	3,455,728	1,454,558
Marketable securities, non-current	170,000	-
Deposits	8,522	8,522
Property and equipment, net	118,257	126,509
Intangible assets, net	412,763	432,482
Total assets	\$ 4,165,270	\$ 2,022,071
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 96,724	\$ 95,071
Accrued compensation and benefits	84,562	63,813
Accrued expenses	78,894	60,269
Deferred revenue	-	130,000
Derivative liabilities, including related party	1,514,225	-
Total current liabilities	1,774,405	349,153

Deferred rent	2,211	2,205
Convertible note payable, related party, less unamortized discount of \$558,420	3,191,580	-
Accrued interest on convertible note payable, related party	30,247	-
Total liabilities	4,998,443	351,358

Commitments and contingencies

Stockholders' equity (deficit):

Preferred stock, \$0.001 par value, 25,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, \$0.001 par value, 100,000,000 shares authorized; 25,653,512 shares outstanding at March 31, 2008, and December 31, 2007	25,654	25,654
Additional paid-in capital/p>	27,983,084	29,211,972
Accumulated deficit	(28,841,911)	(27,566,913)
Total stockholders' equity (deficit)	(833,173)	1,670,713
Total liabilities and stockholders' equity (deficit)	\$ 4,165,270	\$ 2,022,071

HELIX BIOMEDIX, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended	
	March 31,	
	2008	2007
Revenue:		
Licensing and development fees	\$ 147,062	\$ 29,494
Peptide sales	93,308	28,928
Total revenue	240,370	58,422
Operating expenses:		
Cost of peptide sales	69,384	-
Other cost of revenue	38,781	-
Research and development	195,177	205,497
Marketing and business development	114,687	104,211
General and administrative	433,369	390,707
Accounting, legal and professional fees	160,815	148,477

Depreciation and amortization	35,049	44,422
Total operating expenses	1,047,262	893,314
Loss from operations	(806,892)	(834,892)
Other income (expense):		
Interest income	18,790	22,403
Interest expense on convertible note payable, related party	(30,578)	-
Accretion of discount on convertible note payable, related party, net	(285,415)	-
Change in value of derivative instruments, including related party, net	(140,903)	-
Unrealized loss on marketable securities	(30,000)	-
Other income (expense), net	(468,106)	22,403
Net loss	\$(1,274,998)	\$(812,4897)
Basic and diluted net loss per share	\$ (0.05)	\$ (0.03)
Weighted average shares outstanding	25,653,512	23,569,902