

## Helix BioMedix Reports First Quarter 2009 Financial Results

Bothell, Washington—May 8, 2009 -- Helix BioMedix, Inc. (OTCBB: HXBM), a developer of bioactive peptides, today announced financial results for the first quarter ended March 31, 2009.

For the first quarter of 2009, the company reported revenue of approximately \$87,000, compared to revenue of approximately \$240,000 in the first quarter of 2008. Net loss for the first quarter of 2009 was approximately \$920,000, or (\$0.04) per share, compared to a net loss of approximately \$1.3 million, or (\$0.05) per share, in the same period one year ago. The improvement in the net loss was primarily attributable to a reduction in operating expenses of approximately \$83,000 and a reduction of \$366,000 in non-operating expenses primarily resulting from declines in convertible notes payable discount accretion and derivative instrument fair value adjustments.

As of March 31, 2009, cash and cash equivalents totaled approximately \$3.5 million, compared to \$985,000 as of December 31, 2008. The increase in cash and cash equivalents was due to the closing of the convertible debt financing during the first quarter of 2009 in which the company issued convertible notes payable in an aggregate principal amount of approximately \$3.5 million and warrants to purchase an aggregate of 868,500 shares of the company's common stock at an exercise price of \$1.00 per share.

“Our first quarter results were directly impacted by the current weakness in the global economic environment, which has resulted in a slower than expected ramp for several of our key product initiatives,” stated R. Stephen Beatty, President and Chief Executive Officer of Helix BioMedix. “As a result, we have continued tight controls on spending and have reduced operating expenses accordingly. The combination of tightly controlling spending and closing the approximately \$3.5M convertible debt financing is currently providing us the liquidity required to continue the advancement of the commercialization of our proprietary bioactive peptides and consumer products.”

Beatty continued, “In terms of our stated milestones, we continued to make progress on our key business objectives, which we believe will significantly contribute to improved results in the second half of the year. We expect to launch an additional Helix BioMedix-branded anti-aging product line in the coming quarters. Orchard Brands, one of our catalog partners, is bringing on new product presentations in our Striking™ anti-aging line, which features the exclusive Helix BioMedix SmartPeptide™ technology Heptapeptide-7 that helps restore keratinocyte replenishment to support skin renewal. Additionally, we plan to expand our distribution channels for our proprietary products in the later half of this year by utilizing interactive multi-channel retailers such as HSN and QVC to market and sell these products. Our peptide ingredient licensing partners continue to promote the use of Helix BioMedix peptides in skin care and cosmeceutical products to leading cosmetics and personal care companies. There are an increasing number of Helix BioMedix peptide-containing products available in the market through a large number of national and regional retail outlets including Walgreens, Rite Aid, Whole Foods, GNC, Nordstrom, Sephora, and Target, among others.”

Beatty concluded, “Lastly, we continue to aggressively pursue funding and partnership opportunities to secure the capital required to move our lead Rx candidates forward. The funding environment remains very challenging, and many of these potential industry partners are taking a cautious stance until the economy begins to improve.”

#### 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. Striking and SmartPeptide are trademarks of Helix BioMedix, Inc.

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.

#### Investor Contact:

Ryan Bright  
Shelton Group Investor Relations  
(972) 239-5119 X 159  
[rbright@sheltongroup.com](mailto:rbright@sheltongroup.com)

#### Company Contact:

R. Stephen Beatty  
President and CEO  
(425) 402-8400  
[sbeatty@helixbiomedix.com](mailto:sbeatty@helixbiomedix.com)

*Financial Tables to Follow*

**HELIX BIOMEDIX, INC.**  
**CONDENSED BALANCE SHEETS**  
(Unaudited)

	March 31, 2009	December 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 3,531,101	\$ 984,844
Restricted cash – subscription deposits for convertible debt offering.....	-	970,000
Accounts receivable, net .....	44,339	50,467
Inventory .....	220,904	111,411
Prepaid expenses and other current assets .....	172,461	104,706
Total current assets .....	3,968,805	2,221,428
Deposits .....	8,522	8,522
Property and equipment, net .....	106,401	120,154
Intangible assets, net .....	333,884	353,603
Total assets .....	\$ 4,417,612	\$ 2,703,707
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable .....	\$ 127,266	\$ 71,824
Accrued compensation and benefits .....	40,725	101,734
Accrued expenses .....	58,469	61,563
Deferred rent .....	1,483	2,039
Other current liabilities – subscription deposits for convertible debt offering .....	-	970,000
Total current liabilities .....	227,943	1,207,160
Convertible notes payable .....	1,292,095	-
Convertible notes payable, related party .....	4,974,988	3,000,000
Accrued interest on convertible notes payable .....	14,081	-
Accrued interest on convertible notes payable, including related party ..	292,296	211,069
Total liabilities .....	6,801,403	4,418,229
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, 2009, and December 31, 2008 .....	25,654	25,654
Additional paid-in capital .....	30,592,723	30,342,249
Accumulated deficit .....	(33,002,168)	(32,082,425)
Total stockholders' equity (deficit) .....	(2,383,791)	(1,714,522)
Total liabilities and stockholders' equity (deficit) .....	\$ 4,417,612	\$ 2,703,707

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

	Three months ended March 31,	
	2009	2008
Revenue:		
Licensing and development fees .....	\$ 34,777	\$ 147,062
Peptide and consumer product sales .....	42,529	93,308
Administrative services revenue, related party .....	9,945	-
Total revenue.....	<u>87,251</u>	<u>240,370</u>
Cost of revenue:		
Cost of peptide and consumer product sales .....	38,582	69,384
Cost of administrative service revenue, related party .....	9,750	-
Other cost of revenue.....	-	38,781
Total cost of revenue.....	<u>48,332</u>	<u>108,165</u>
Gross profit.....	38,919	132,205
Operating expenses:		
Research and development .....	160,414	195,177
Marketing and business development .....	115,973	114,687
General and administrative .....	361,868	433,369
Accounting, legal and professional fees.....	184,725	160,815
Depreciation and amortization .....	33,472	35,049
Total operating expenses.....	<u>856,452</u>	<u>939,097</u>
Loss from operations .....	<u>(817,533)</u>	<u>(806,892)</u>
Other income (expense):		
Interest income.....	5,043	18,790
Interest expense on convertible notes payable .....	(14,081)	-
Interest expense on convertible notes payable, related party .....	(81,227)	(30,578)
Accretion of discount on convertible notes payable .....	(4,657)	
Accretion of discount on convertible notes payable, related party .....	(7,288)	(285,415)
Change in value of derivative instruments, including related party .....	-	(140,903)
Unrealized loss on marketable securities .....	-	(30,000)
Other income (expense), net .....	<u>(102,210)</u>	<u>(468,106)</u>
Net loss.....	<u>\$ (919,743)</u>	<u>\$ (1,274,998)</u>
Basic and diluted net loss per share.....	<u>\$ (0.04)</u>	<u>\$ (0.05)</u>
Weighted average shares outstanding .....	<u>25,653,512</u>	<u>25,653,512</u>