

## Helix BioMedix Reports First Quarter 2010 Financial Results

Bothell, Washington — May 7, 2010 — Helix BioMedix, Inc. (OTCBB: HXBM), a developer of bioactive peptides, today announced financial results for the company's first quarter 2010 ended March 31, 2010.

### First Quarter Financial and Business Overview:

- Recorded revenue of approximately \$70,000 compared to approximately \$87,000 in the same period a year ago
- Net loss was approximately \$927,000 compared to approximately \$920,000 in the first quarter of 2009
- Raised \$2.9 million via issuance of convertible promissory notes and warrants in March
- Announced expanded distribution of the company's Cerakine products in South Korea, China and Japan through RubyDerm Bio, Inc., a Seoul-based company with offices and distributors throughout key Asian countries
- Continued advancing Rx product development opportunities utilizing the company's vast portfolio of intellectual property

### First Quarter 2010 Results

Revenue for the first quarter of 2010 was approximately \$70,000 compared to revenue of approximately \$87,000 in the prior year first quarter. Gross margin improved to 64.9% in the first quarter compared to 44.6% in the same period a year ago. The improvement in gross margin reflects higher revenue contribution from license and development fees relative to peptide sales. Net loss for the first quarter of 2010 was approximately \$927,000, or (\$0.04) per share, compared to approximately \$920,000, or (\$0.04) per share, for the first quarter of 2009.

As of March 31, 2010, the company's cash and cash equivalents balance was approximately \$3.6 million as compared to \$1.3 million at December 31, 2009. On March 5, 2010, the company issued convertible promissory notes due on July 1, 2013 in the aggregate principal amount of \$2.9 million and five-year warrants to purchase an aggregate of 725,000 shares of its common stock at an exercise price of \$0.80 per share.

“While first quarter revenue was below our expectations due to the timing of certain customer shipments, we expect these orders to benefit our second quarter,” stated R. Stephen Beatty, President and Chief Executive Officer of Helix BioMedix. “We continue to make significant progress in developing a diverse revenue base of consumer products utilizing our peptide technologies as we work closely with our customers and licensed partners. With the recent economic improvements, our partners have increased their sales and marketing efforts to introduce new products containing our proprietary peptides, while also promoting existing products containing our proprietary peptides with favorable results. Our recently signed distribution partner, RubyDerm Bio, Inc., which specializes in the aesthetic and dermatology market place, is near completion in the requisite registration process of the Cerakine™ skin health products with the South Korean government and plans to expand their efforts into China later in the year. Additionally, we continued to earn royalty revenues from the sales of Rodan + Fields products using our proprietary technology as they continue to launch additional new products. Lastly, we are also making progress on our key Rx candidates. We look forward to reporting continued advances in developing our intellectual property into licensing partnerships, product sales, and the Rx program throughout the year ahead.”

**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. 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. The company takes product development programs from theoretical concept to a 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. Striking™, Cerakine™, 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, and 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:**

Matt Kreps  
Shelton Group Investor Relations  
(972) 239-5119 X 125  
[mkreps@sheltongroup.com](mailto:mkreps@sheltongroup.com)

**Company Contact:**

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

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

	<u>March 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 3,593,044	\$ 1,344,719
Accounts receivable, net .....	52,034	55,685
Inventory .....	200,576	202,815
Prepaid expenses and other current assets.....	65,743	34,461
Total current assets .....	3,911,397	1,637,680
Deposits .....	8,522	8,522
Property and equipment, net .....	73,953	84,880
Intangible assets, net.....	264,896	281,838
Total assets .....	\$ 4,258,768	\$ 2,012,920
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable .....	\$ 63,594	\$ 66,455
Accrued compensation and benefits.....	45,891	29,697
Accrued expenses.....	70,035	46,502
Deferred revenue .....	22,525	—
Total current liabilities.....	202,045	142,654
Deferred rent, non-current .....	24,033	6,008
Convertible notes payable.....	1,573,129	1,319,532
Convertible notes payable, related party.....	7,623,510	5,016,860
Accrued interest on convertible notes payable .....	125,425	96,897
Accrued interest on convertible notes payable, related party .....	715,398	599,694
Total liabilities.....	10,263,540	7,181,645
Commitments and contingencies		
Stockholders' 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, 2010, and December 31, 2009 .....	25,654	25,654
Additional paid-in capital .....	30,754,083	30,663,081
Accumulated deficit.....	(36,784,509)	(35,857,460)
Total stockholders' deficit.....	(6,004,772)	(5,168,725)
Total liabilities and stockholders' deficit .....	\$ 4,258,768	\$ 2,012,920

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

	<b>Three months ended March 31,</b>	
	<b>2010</b>	<b>2009</b>
Revenue:		
Licensing and development fees .....	\$ 36,558	\$ 34,777
Peptide and consumer product sales .....	33,160	42,529
Administrative services revenue, related party .....	—	9,945
<b>Total revenue</b> .....	<b>69,718</b>	<b>87,251</b>
Cost of revenue:		
Cost of peptide and consumer product sales .....	24,489	38,582
Cost of administrative service revenue, related party .....	—	9,750
<b>Total cost of revenue</b> .....	<b>24,489</b>	<b>48,332</b>
Gross profit .....	45,229	38,919
Operating expenses:		
Research and development .....	167,672	160,414
Marketing and business development .....	126,238	115,973
General and administrative .....	359,745	361,868
Accounting, legal and professional fees .....	121,607	184,725
Depreciation and amortization .....	29,082	33,472
<b>Total operating expenses</b> .....	<b>804,344</b>	<b>856,452</b>
Loss from operations .....	(759,115)	(817,533)
Other income (expense):		
Interest income .....	345	5,043
Interest expense on convertible notes payable .....	(28,528)	(14,081)
Interest expense on convertible notes payable, related party .....	(115,704)	(81,227)
Accretion of discount on convertible notes payable .....	(9,097)	(4,657)
Accretion of discount on convertible notes payable, related party .....	(14,950)	(7,288)
<b>Other income (expense), net</b> .....	<b>(167,934)</b>	<b>(102,210)</b>
Net loss and comprehensive loss .....	\$ (927,049)	\$ (919,743)
Basic and diluted net loss per share .....	\$ (0.04)	\$ (0.04)
Weighted average shares outstanding .....	25,653,512	25,653,512