



FOR IMMEDIATE RELEASE

May 15, 2007

Philom Bios Announces Second Quarter Results

SASKATOON, SK — Philom Bios Inc. is pleased to report its results for the six months ended March 31, 2007.

Highlights:

- Financial

(\$000's, except earnings per share)	2 nd Quarter		Year to Date	
	2007	2006	2007	2006
Sales	4,536	6,931	4,586	7,154
Net earnings	731	1,732	(591)	524
Net earnings per Share	\$ 0.21	\$ 0.49	(\$ 0.17)	\$ 0.15

- Quarterly earnings of \$0.7 million versus prior year of \$1.7 million reflect the normal variation that may occur between quarters due to nature of our business cycle. In the current year, most shipments, and thus sales, will be realized in the 3rd quarter.
- Net cash inflows in the quarter were \$5.9 million (2006 - \$4.6 million) reflecting the benefit of early order payment incentive plans.
- The Company announced registration of TagTeam® soybean granular inoculants in Western Canada, bringing new registrations in the fiscal year to a total of five products.
- Subsequent to quarter, the Company realized a reduced judgment on its legal appeal, with the outcome estimated to be accretive to net earnings after taxes of \$0.20 per share.

Second quarter earnings of \$0.7 million versus \$1.7 million in the prior year represent a normal variation in interim earnings that may occur from time to time in our business cycle as revenue recognition depends on timing of shipments. In the current year, the majority of shipments (sales) will be realized in the 3rd quarter, whereas in the prior year shipments were more evenly distributed over 2nd and 3rd quarters. Total operating costs for the year to date now total \$3.8 million (2006 - \$3.6 million) with the increase over the prior year mainly reflective of growing commitments in marketing and sales costs associated with expanding U.S. operations.

Subsequent to the quarter, the Company also reported the decision of the Alberta Court of Appeal in respect of the Dow AgroSciences Canada Inc. judgment. As a result of this decision, the Company expects to record an extraordinary item gain in the 3rd quarter of \$0.7 million or \$0.20 per share.

President/CEO Calvin Sonntag comments, "Although second quarter earnings are below the prior year due to timing of shipments, based on total sales to date we are very encouraged by customer support across all product lines and the impact that an improving farm economy and robust crop input markets are having on our business. As a result, we are currently estimating annual net earnings, inclusive of the extraordinary item gain, in the range of \$0.60 to \$0.70 per share, a significant increase over 2006 net earnings of \$0.16 per share."

About Philom Bios

Philom Bios is a world leading Inoculant Company with over 70 employees across North America in research, manufacturing, marketing and management and in its joint-venture operations in Australia. Headquartered in Saskatoon, SK, Philom Bios is a Canadian public company serving the needs of farmers with high-value inoculants. Philom Bios has an over 25 year commitment to farmers through a dynamic partnership with distributors and leading retailers.

For More Information:

Calvin Sonntag
Philom Bios Inc.
3935 Thatcher Avenue,
Saskatoon, SK Canada S7R 1A3
Phone: (306) 657-8202
Fax: (306) 668-4232
[Email: csonntag@philombios.com](mailto:csonntag@philombios.com)