



FOR IMMEDIATE RELEASE

August 20, 2007

Philom Bios Announces Third Quarter Results

SASKATOON, SK — Philom Bios Inc. is pleased to report its results for the nine months ended June 30, 2007.

Highlights:

- Financial

(\$000's, except earnings per share)	3 rd Quarter		Year to Date	
	2007	2006	2007	2006
Sales	9,519	4,772	14,105	11,926
Earnings before extraordinary item	3,422	916	2,831	1,440
Net Earnings	4,112	916	3,521	1,440
Basic Earnings per share:				
Before Extraordinary item	\$ 0.96	\$ 0.26	\$ 0.80	\$ 0.41
Net earnings	\$ 1.16	\$ 0.26	\$ 1.00	\$ 0.41

- Quarterly earnings, before extraordinary item, of \$3.4 million versus prior year of \$0.9 million reflect the benefit of a strong sales quarter and the effect of timing of shipments, and thus revenue recognition.
- Year to dates sales growth of 18%, driven by rising demand for JumpStart[®] and TagTeam[®] products in key crop sectors.
- Net cash inflows in the quarter were \$2.3 million (year to date - \$5.5 million) reflective of strong improvement in earnings over the prior year.
- Extraordinary item gain realized on reduced judgment on Company's legal appeal resulting in increased net earnings of \$0.20 per share.

Year to date earnings before extraordinary item of \$2.8 million versus \$1.4 million in the prior year reflect the sum of our successes in the spring sales season as the Company gained market share in the key crop sectors it serves. Total operating costs for the year to date remain within expectations and now total \$5.6 million (2006 - \$5.4 million). The increase over the prior year is mainly reflective of growing commitments in marketing and sales costs associated with expanding U.S. operations. Also in the quarter, the Company recorded an extraordinary item gain of \$0.7 million or \$0.20 per share representing the reduction in damages and costs as determined by the Alberta Court of Appeal judgment in respect of the Dow AgroSciences Canada Inc. claim.

As the majority of sales are now complete, the balance of year activities are primarily devoted to build up of production inventories for next year's business cycle. Fourth quarter expenses are expected to increase over the prior year due to higher marketing spending and planned research activities. However, in offset, the Company anticipates added sales of JumpStart on fall crops prior to the end of the fiscal year.

President/CEO Calvin Sonntag comments, “We are very pleased with year to date results that reflect solid customer support across all product lines, in particular, JumpStart® and Next Generation TagTeam® products. The benefits of an improved farm economy and robust crop input markets are readily evident in our business and as a result, we expect to meet our net earnings forecast in the range of \$0.60 to \$0.70 per share, with the upper end of the range dependent on final quarter sales.”

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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:

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