



FOR IMMEDIATE RELEASE

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Philom Bios Announces Year End Results

SASKATOON, Saskatchewan — Philom Bios Inc. announces its results for the year ended September 30, 2006.

Highlights:

- Financial

(\$000's, except earnings per share)	4th Quarter		Annual	
	2006	2005	2006	2005
Sales	508	175	12,434	14,430
Earnings before extraordinary item	(874)	(694)	566	2,046
Net Earnings	(874)	(834)	566	716
Basic Earnings per share:				
Before Extraordinary item	\$ (0.25)	\$ (0.19)	\$ 0.16	\$ 0.59
Net earnings	\$ (0.25)	\$ (0.23)	\$ 0.16	\$ 0.21

- Achieved second highest sales in Company history despite contraction of pulse market
- Grew sales in North American corn and soybean markets by 30%
- Launched TagTeam for soybean and JumpStart on corn in US markets
- Recorded ninth consecutive year of profitability
- Opened world-class production, lab, and office facility
- Launched Philom Bios (Australia) joint venture
- Named one of Canada's *50 Best Managed Companies* for 2005

Sales declined by 14% from the prior year mainly as a result of a 12% contraction in North American pulse acre market where about 70% of our products are sold. The Company attributes this market contraction to several macro economic factors including; weaker farm incomes in 2006 which stressed farmer choices on inputs, a late season shift in acres to other crop types, and adverse weather conditions in key geographic areas that led to lower seeded acres. The decline in operating earnings was further affected by a 5% increase in operating costs reflecting the Company's commitment to long-term investments. Specifically, this comprises increased spending on research and development, mainly focused on the corn and soybean markets, and market expansion efforts across North America and in Australia, through our joint venture operations.

President/CEO Calvin Sonntag comments, "Despite growth in our North American corn and soybean business, our 2006 earnings were affected by the contraction in other major inoculant markets, which remain important to us. Although 2006 earnings did come in below last year, we were pleased with the growth in 4th quarter sales which reflect the use of our products on winter seeded crops. As a result annual earnings for 2006 were \$0.16 per share - well above earlier estimates. We remain focused on our strategy of investing in expansion of markets and innovation."

Philom Bios is a world leading Inoculant Company with over 70 employees across North America in a wide range of research, manufacturing, marketing, and management positions and 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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