

# HEMISPHERX ANNOUNCES SECOND QUARTER RESULTS

Release: 8/15/2002

**Cash and Cash Equivalents Up 22%**

**Operating Losses Reduced By Over 15%**

**Three Major Clinical Trials Expanded**

**Philadelphia, PA, Thursday, August 15, 2002:** Hemispherx Biopharma, Inc. (AMEX:HEB), a leading company in the experimental-stage development of immune based therapies primarily addressing the diseases of HIV/AIDS and Chronic Fatigue Syndrome reported that; cash and cash equivalents went up an average of 22%, operating losses were reduced by an average of 15% for the three and six month periods ended June 30th, 2002, and that during these periods three major ongoing clinical trials were expanded.

The company reported an operating loss of \$2,634,000 (including non-cash expenses) for the second quarter ended June 30th, 2002. The \$2,634,000 loss reported in 2002 included a non-cash write down of \$678,000 in an investment in an unconsolidated affiliate. Overall operating cash losses for the six months were reduced by approximately 18% versus a comparable period in 2001. Cash and cash equivalents at each of the reporting periods increased approximately 22% over the comparable period in 2001.

General administrative and other operating costs were reduced compared to 2001, in part, due to certain lower expense categories related to the ME/CFS Phase III clinical programs. Costs relating to the Phase IIb HIV/AIDS clinical programs initiated last fall increased as the Company recruits more patients. The Phase IIb HIV/AIDS programs consist of two separate studies. The objective is to enroll some 120-130 patients in each trial.

Interim clinical results were recently presented at the 14th Annual International AIDS Conference in Barcelona, Spain. Results show continuation and further up trending of data presented in March 2002 in Prague, Czech Republic.

Losses for the six month ended June 30th, 2002 were \$4,122,000 or \$0.13 per share compared to a loss of \$4,823,000 or \$0.16 per share in 2001. This reduction in losses of \$701,000 includes licensing fees received in 2002 and lower general and administrative expenses and other costs in 2002. General and administrative expenses were \$1,246,000 in the second quarter of 2002 compared to a loss of \$1,468,000 recorded in 2001.

## ABOUT HEMISPHERX

Hemispherx Biopharma, Inc is a biopharmaceutical company that focuses on the innovative development of ribonucleic acid (RNA) drug technologies intended to enhance the natural anti-viral defense system of the human body, representing a potential new class of pharmaceutical products. Its primary product, Ampligen, is in two phase IIb clinical trials for HIV/AIDS, one experimental Salvage Therapy and one Strategic Treatment Intervention (STI), and a phase III clinical trial for Chronic Fatigue Syndrome (CFS).

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Information contained in this news release other than historical information, should be considered forward-looking and is subject to various risk factors and uncertainties. For instance, the strategies and operations of Hemispherx involve risk of competition, changing market conditions, change in laws and regulations affecting these industries and numerous other factors discussed in this release and in the Company's filings with the Securities and Exchange Commission. Accordingly, all the referenced investigational drugs and associated technologies of the company are experimental in nature and as such are not designated safe and effective by a regulatory authority for general use and are legally available only through clinical trials with the referenced disorders. The forward-looking statements represent the Company's judgment as of the date of this release. The Company disclaims, however, any intent or obligation to update these forward-looking statements.