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Procyon Biopharma reports progress and new acquisition at Annual meeting

2004 - A year marked by significant scientific and corporate events

MONTREAL, QC, June 30 /CNW Telbec/ - At its Annual and Special Shareholders' meeting today, Procyon Biopharma Inc. (TSX: PBP) reviewed the highlights of its 2004 Fiscal Year. During the meeting the Company also announced the acquisition of Bioxalis Medica Inc., a Montreal-based biopharmaceutical company committed to the development of a new Tumor Vasculature Targeting (TVT) technology with a concurrent financing.

The Company emphasized that its 2004 Fiscal Year was marked by significant scientific and corporate events. Earlier this year Procyon announced the results for its North American placebo-controlled, double-blind, randomized Phase IIb clinical trial with Fibrostat(R). Although Fibrostat(R) was safe and well tolerated, the primary endpoint of efficacy was not reached. As a consequence the Company had to reevaluate the future of this program and has now decided to discontinue any further development. Additionally, the company was restructured in order to minimize its burn rate and ensure the continuation of its other programs.

As a result of the ongoing development of Procyon's key programs - PCK3145, a non-toxic therapeutic peptide for the treatment of advanced metastatic prostate cancer; and, PPL-100, a protease inhibitor for the treatment of drug-resistant HIV- these drug candidates will soon be entering North American phase IIb and Phase I clinical trials, respectively.

Procyon's acquisition of Bioxalis and the TVT technology reflects the Company's ability to again capitalize on attractive opportunities, while remaining conscious of the associated risks involved with building a balanced portfolio of promising complementary products in the areas of oncology and HIV/AIDS.

"We are very pleased with the achievements and progress made throughout 2004 and the external recognition that we are receiving as a result. We look forward to a continued productive progress as we expand our activities to now also include TVT-Dox and like PCK3145 and PPL-100, proceed this compound through the clinic," said Mr. Hans J. Mader, President and Chief Executive Officer. "Despite the disappointing results for Fibrostat(R) at the beginning of this year we are attempting to bounce back and as such have already achieved several of the 2005 milestones - 2005 looks to become a good year for Procyon," he added.

Following are Procyon's more important highlights presented for its 2004 Fiscal Year

PCK3145

- Completion of UK phase IIa trial in June 2004
- Filing of an Investigational New Drug (IND) with the FDA in December 2004
- Initiation of US pilot study in March 2005, this study is currently ongoing
- Elucidation of mechanism of action and identification of the receptor
- Demonstration that a weekly administration of PCK3145 is equally effective as three times per week
- Peer-recognition through presentations at major meetings: Prostate Cancer Foundation, American Society of Clinical Oncology (ASCO) and

American Association for Cancer Research (AACR)

PPL-100

- Development of PL-100 pro-drug, PPL-100, which is more soluble and bio-available
- Disclosure of a favorable resistance and pharmacokinetic profiles for PPL-100 and back-up compound PL-337
- Peer-recognition through presentations at major meetings: 14th International HIV Drug Resistance Workshop and 6th International Workshop on Clinical Pharmacology of HIV Therapy

Corporate achievements

- Additional coverage - Leowen, Ondaatje, McCutcheon Limited (LOM) and Crystal Research
- Independent acknowledgements - 2005 Frost and Sullivan Award for excellence in technology in the field of emerging cancer therapies
- Out-licensed the PSP94 immunoassay kits manufacturing and worldwide commercialization rights to Medicorp Inc.
- Recent acquisition of Bioxalis Medica Inc. and the TVT technology and closing of a concurrent financing of \$3.5 M

About Procyon Biopharma Inc.

Procyon Biopharma Inc. is a biotechnology company actively engaged in the discovery and development of innovative therapeutics in the fields of cancer and HIV/AIDS. The Company leverages its strengths in research and clinical development, bringing products through late-stage clinical trials and then evaluating the best options for further development, such as partnerships and licensing. Procyon's pipeline includes: PCK3145, a non-toxic peptide soon to enter a Phase II North American trial for the treatment of advanced metastatic prostate cancer; PPL-100, a protease inhibitor for the treatment of drug-resistant HIV/AIDS soon to enter the clinic; and TVT-Dox, a tumor vascular targeting technology for the treatment of solid tumors for which an IND filing is expected within 12 months. Procyon has won the 2005 Frost & Sullivan Award for Excellence in Technology for its overall scientific and technological contributions towards the advancement of cancer therapy. Headquartered in Montreal, Procyon shares are listed on the Toronto Stock Exchange (TSX) under the ticker symbol PBP. For more information, visit www.procyonbiopharma.com.

This release contains forward-looking statements that reflect the company's current expectation regarding future events. The forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors including, but not limited to, changing market conditions, successful and timely completion of clinical studies, uncertainties related to the regulatory approval process, establishment of corporate alliances and other risks detailed from time to time in the company's filings.

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