



## ADVITECH ANNOUNCES RESULTS FOR ITS SECOND QUARTER

FOR IMMEDIATE RELEASE

TSX VENTURE EXCHANGE: AVI

QUEBEC CITY, QUEBEC — August 29, 2007 — Advitech Inc. (“Advitech” or the “Corporation”) (TSX Venture Exchange: AVI) today announced its’ 2007 second quarter results.

### FINANCIAL HIGHLIGHTS

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- **Second quarter ended June 30<sup>th</sup>, 2007:**
  - Operating revenues increased to \$273,803 compared to \$9,039 for the second quarter of 2006, an increase resulting from the additional marketing and distribution agreements recently signed for the French and U.S. markets.
  - Net loss was \$509,399 or \$0.01 per share, compared to \$358,894, or \$0.01 per share, for the second quarter of 2006, an increase of 41.9%, mostly driven by additional investments in research and development activities, marketing initiatives, by higher administrative expenses and by higher financial expenses related to the new financing.
  
- **Six months period ended June 30<sup>th</sup>, 2007:**
  - Revenues increased by 95.7% to \$327,118 compared to \$167,161 for the first half of 2006. The notable growth is the result of higher Dermylex<sup>TM</sup> sales that is gaining market traction.
  - Net loss was \$907,324 or \$0.01 per share, compared to \$720,766, or \$0.01 per share, for the first half of 2006, an increase of 25.9% explained, in part, by the cost related to the completion of the company’s funding plan.

“With the actual results of our financial plan, we have increased our financial capacity and therefore implemented a plan to grow our sales in North America and in Europe” stated Mr. Renaud Beauchesne, CEO and President for Advitech Inc.

“We are extremely pleased with this quarter’s results; the growth in revenues generated by Dermylex<sup>TM</sup> sales was the main objective of this period and is excellent news for our shareholders. We expect to continue this growth in revenues in the coming quarters through higher Dermylex<sup>TM</sup> sales, which continues to have an excellent market acceptance”, commented Mr. François Courteau, Chief Operating Officer for Advitech Inc.

Mr. Courteau continued to state, “The net loss, for the quarter, is explained by higher expenses in both research and development program and administration costs as well as, higher financial expenses due to the financing completed during the quarter.”

## OTHER RELEVANT FINANCIAL HIGHLIGHTS:

- Before the tax credits, the research and development expenses reached \$ 209,810 for the quarter in comparison to \$ 131,587 for the corresponding period in 2006. This increase is mainly due to the higher costs incurred by the clinical and preclinical development program of XP-828L.
- As at June 30, 2007, the Company had \$ 1,909,624 in cash and cash equivalents, compared to \$ 1,585,120 as at March 31, 2007. The increase in liquidities is the result of the financing completed in this quarter.
- Finally, concerning financing activities, the Company completed a financing of \$ 970,000 in the second quarter from the issuance of Units. Each Unit consists of one common share of the Corporation and one common share purchase warrant. An amount of \$ 42,218 was used for Units issue. Globally, in the second quarter of 2007 the Company has generated cash from financing amounting to a total of \$ 858,384 compared to \$ 398,997 for the second quarter of 2006.

### **Selected financial information**

*Periods ended June 30,*

(In thousands of dollars, except per share amounts)

<b>Financial Results</b>	<b>Periods of 3-months ended June 30</b>		<b>Periods of 6-months ended June 30</b>	
	<b>2007</b> (Unaudited)	<b>2006</b> (Unaudited)	<b>2007</b> (Unaudited)	<b>2006</b> (Unaudited)
Total revenues	\$ 273.8	\$ 9.0	\$ 327.1	\$ 167.1
Operating Expenses	\$ 783.2	\$ 367.9	\$ 1,234.4	\$ 887.9
Research and development Costs, Net of tax Credits	\$ 134.3	\$ 87.5	\$ 248.4	\$ 195.5
Net Loss	\$ (509.4)	\$ (358.9)	\$ (907.3)	\$ (720.8)
Loss per Share, Basic and Diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
<b>Balance Sheet</b>			<b>2007</b>	<b>2006</b>
			(Unaudited)	(Unaudited)
Cash and Cash equivalents			\$ 1,909.6	\$ 859.9
Other current Assets			\$ 622.7	\$ 275.8
Long-term Assets			\$ 189.1	\$ 243.5
Current Liabilities			\$ 570.1	\$ 547.4
Long-term Liabilities			\$ 1,638.0	\$ 1,023.5
Shareholders' Equity			\$ 513.3	\$ (197.7)

The second quarter financial statements and the fiscal year financial statements, as well as the management's discussion and analysis of results of operations and financial condition, are available on Sedar: <http://www.sedar.com/>

### **About Advitech Inc:**

Advitech is a health sciences and technology company with a mission to discover and commercialize proprietary and evidence-based natural health products. Effective and safe, these products play a role in the prevention of Immune-Mediated Inflammatory Disorders, such as psoriasis and inflammatory

bowel disease. Advitech's common shares are listed on the TSX Venture Exchange under the symbol AVI.

**About Dermylex™:**

Dermylex™, developed by Advitech, is an oral natural health product relieving mild-to-moderate psoriasis symptoms. Its efficacy has been clinically proven by two clinical trials, one of them multi-center, double-blind and placebo-controlled, for 112 days and on 84 patients, confirming Dermylex™'s efficacy and safety for that type of psoriasis. Dermylex™ is currently available in Canada. For more information, please visit [www.dermylex.com](http://www.dermylex.com).

-30-

*This press release contains forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements involve risks and uncertainties. Actual results could differ materially from those projected herein.*

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

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