



Troubled Times Tool Kit



[Hemispherx Biopharma \(HEB\)](#) Introduces Expense Reduction Program

12/1/2008 6:48:05 AM

PHILADELPHIA, Nov. 28, 2008 (GLOBE NEWSWIRE) -- Hemispherx Biopharma, Inc. (AMEX:HEB - News) announced today a series of steps to reduce expenses.

As Hemispherx Biopharma continues to strive to commercialize its products through alliances, licenses, and supply agreements, company management believes that it must take measures to extend the period during which the company can complete the various critical goals that lie ahead. Accordingly, it will reduce its expenses while not jeopardizing its ability to operate fully, and at the same time it must provide substantive incentives to its key employees as well as to its supporting staff on whom the company relies for success in 2009 and beyond.

Toward that end, Hemispherx Biopharma is taking a series of actions: It is planned that all senior staff will be paid as much as 50% of their compensation in restricted stock starting no later than January 1, 2009. The President and COO's contract will not be renewed, but he will be included in a Goal Achievement Incentive Program. His operational responsibilities are being divided among other senior management members. This Goal Achievement Incentive Program will also include the Chairman and CEO, the Senior Vice President, and Hemispherx's strategic advisors, The Sage Group, Inc. This program will pay these individuals and group only as strategic alliances are executed. A copy of the Goal Achievement Incentive Program is being filed as an 8K. It is also planned that all other employees and Board members (other than independent Board members), as a group, will be added to the Goal Achievement Incentive Program at the same level as the senior management, to be shared pro rata to their 2008 compensation but providing they are employees or Board members (other than independent Board members) when strategic alliances are executed. The Company does not contemplate any layoffs, thereby preserving its full manufacturing, regulatory and medical services operations. Additional cost reduction measures include suspending product liability insurance for Alferon(tm) N and Ampligen(r) until the Company receives regulatory clearance for Ampligen(r) and requiring third parties to indemnify the Company in conjunction with all overseas emergency compassionate sales of Ampligen(r) and Alferon(tm) LDO.

About Hemispherx Biopharma

Hemispherx Biopharma, Inc. is a specialty pharma company engaged in the manufacture and clinical development of new drug entities for treatment of seriously debilitating

disorders. Hemispherx's flagship products include Alferon N Injection(r) (FDA approved for a category of sexually transmitted diseases) and the experimental therapeutics, Ampligen(r) and Oragens. Ampligen(r) and Oragens represent experimental RNA nucleic acids being developed for globally important debilitating diseases and disorders of the immune system. Hemispherx's platform technology includes large and small agent components for potential treatment of various severely debilitating and life threatening diseases. Hemispherx has in excess of 50 issued patents comprising its core intellectual property estate and a fully commercialized product (Alferon N Injection(r)). The Company wholly owns and exclusively operates a GMP certified manufacturing facility in the United States for commercial products. For more information please visit <http://www.hemispherx.net>.

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. Any specifically referenced investigational drugs and associated technologies of the Company (including Ampligen(r), Alferon LDO and Oragens) 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. Clinical trials for other potential indications of the approved biologic Alferon N Injection(r) do not imply that the product will ever be specifically approved commercially for these other treatment indications; similarly, the completion of the NDA filing process with Ampligen(r) does not imply that the product will ever be approved commercially.

Contact:

Hemispherx Biopharma, Inc.

Dianne Will

518-398-6222

ir@hemispherx.net

CCG Investor Relations

Sean Collins, Sr. Partner

310-477-9800

Source: Hemispherx Biopharma, Inc.

