



## NEWS RELEASE

### Polydex Pharmaceuticals Ltd. Reports 3<sup>rd</sup> Quarter Financial Results

#### High Demand for Product Temporarily Strains Production Equipment, Getting Back On Track

**Toronto, Ontario, December 14, 2012 – Polydex Pharmaceuticals Limited**

(Pink/OTCBB:POLXF) reports financial results for its third fiscal quarter, the three-month period ended October 31, 2012.

POLYDEX PHARMACEUTICALS LIMITED AND SUBSIDIARIES  
THIRD QUARTER RESULTS, FISCAL 2013  
QUARTER ENDED: October 31, 2012  
(Unaudited figures, stated in US dollars)

	<u>Quarter Ended 10/31/12</u>	<u>Quarter Ended 10/31/11</u>
Sales	\$ 1,385,226	\$ 1,610,631
Net Income (loss)	(133,584)	83,231
Earnings (loss) per common share	(0.04)	0.03
Weighted avg. common Shares outstanding (basic)	3,172,846	3,172,846
(diluted)	3,172,846	3,498,268

EBITDA (Earnings before interest, taxes, depreciation and amortization) decreased to negative \$144,329 for the nine months ended October 31, 2012 compared to \$563,823 for the same period in the previous year.

During the 3<sup>rd</sup> quarter, the company experienced a high demand for product, putting a strain on the production equipment, resulting in some unexpected breakdowns. Management has since increased its scrutiny of production procedures and equipment in an effort to avoid further breakdowns. These equipment issues especially affected August, but then September and October improved greatly, to the point that production returned to normal.

With a continued focus on cost reduction and controls, the Company has been aggressively pursuing opportunities for growth in established and new markets, resulting in increased orders and sales from new and existing customers. At a time when many of the company's domestic and global competitors have been unable to produce consistent high-quality dextran based products, with some even discontinuing production, Polydex has emerged as the leading dextran producer in North America.

These expanding market opportunities led Management to make plant refurbishments and the expansion of production capacity a priority. In the coming year, Management plans to maintain internal work on improving quality, yields and applications in an effort to support existing customers and expand production to meet the growing demand for product. As that demand increases, the newly installed equipment capable of larger volume will be put into production.

The Company publicly traded shares continue to be quoted on the Pink Sheet platform ([www.pinksheets.com](http://www.pinksheets.com)), where the Company is currently identified as a Pink Quote OTCBB Transparent company, one that may be quoted both on the Pink Quote system and the Over The Counter Bulletin Board (OTCBB).

Polydex Pharmaceuticals Limited, based in Toronto, Ontario, Canada, is engaged in the development, manufacture and marketing of biotechnology-based products for the human pharmaceutical market, and also manufactures bulk pharmaceutical intermediates for the worldwide veterinary pharmaceutical industry. Company website: [www.Polydex.com](http://www.Polydex.com)

Note: This press release may contain forward-looking statements, within the meaning of the United States Securities Act of 1933, as amended, and the United States Securities Exchange Act of 1934, as amended, regarding Polydex Pharmaceuticals Limited, including, without limitation, statements regarding expectations about future revenues or business opportunities or potential research projects. These statements are typically identified by use of words like "may", "could", "might", "expect", "anticipate", "believe", or similar words. Actual events or results may differ materially from the Company's expectations, which are subject to a number of known and unknown risks and uncertainties including but not limited to changing market conditions, future actions by the United States Food and Drug Administration or equivalent foreign regulatory authorities as results of pending or future clinical trials. Other risk factors discussed in the Company's filings with the United States Securities and Exchange Commission may also affect the actual results achieved by the Company.

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