



## DIAGNOCURE ANNOUNCES FOURTH QUARTER 2008 AND YEAR-END RESULTS

**QUEBEC CITY, December 17, 2008** — DiagnoCure Inc. (TSX: CUR), a life sciences company commercializing high-value cancer diagnostic tests and delivering lab services, today reported financial and operation results for the fourth quarter 2008 and fiscal year ended October 31, 2008. The Company announced a net loss of \$3,568,321 or \$0.09 per share for the fourth quarter ending October 31, 2008, and a net loss of \$13,833,978 or \$0.33 per share for the fiscal year. These results are substantially in line with Management expectations and reflect the pre-marketing, development, validation and launch of Previstage™ GCC, and the beginning of marketing and sales activities. At the end of the quarter, cash, short-term investments and long-term investments stood at \$20,130,705.

### Highlights of the Quarter

In August, after completing the development and validation of its new Previstage™ GCC Colorectal Cancer Test in its service laboratory in West Chester, PA, DiagnoCure Oncology Laboratories received the required regulatory CLIA certification to perform the test. Since then, physicians have started to order the test and results have been reported back to them. During the quarter, the GCC marker and the Previstage™ GCC test have been discussed in an article published in Expert Review and at two scientific meetings. The marketing efforts are progressing well.

Gen-Probe, DiagnoCure's partner for the PCA3 prostate cancer test, announced at its third quarter earnings conference call that the sales of its CE-marked Progenesa™ PCA3 test had grown four-fold in Europe in comparison with the same quarter a year ago. The market penetration continues to expand in Europe and in the Middle East with over 30 sites now offering the PCA3 test. In this quarter, a new study was published in the November issue of the Journal of Urology, bringing the total to four articles published on PCA3 in that journal only in 2008. The new study discussed the prognostic value of PCA3, an additional important potential indication for the test that is presently used to predict the outcome of a prostate biopsy.

Over the past few months, the Company was for the first time invited to present at two important conferences, the JMP Securities Healthcare Focus Conference in October and the Piper Jaffray Health Care Conference in early December. These conferences represent opportunities to increase the notoriety of DiagnoCure in the U.S. financial community.

In November, considering the current challenging economic environment, DiagnoCure reviewed the priority and scope of certain development and commercialization projects in order to rationalize expenses and maintain a strong cash base. As a result, the Company reduced its staff in R&D and administration support. Management is confident that these actions will allow for the continuous growth of its business while maintaining a healthy cash position during these unstable times on the capital markets.

### Results for the fiscal year ended October 31, 2008

Total revenues for 2008 were \$1,995,910 compared with \$3,467,425 for the same period of 2007. In 2008, DiagnoCure had no revenue recognition of the continued calendar payments and research agreement from Gen-Probe compared with \$1,711,940 from the prior year. Royalty revenues from Gen-Probe were \$262,387 for 2008, compared with \$127,843 for the corresponding period of 2007. This increase is attributable to the sales of PCA3 in Europe by Gen-Probe. Sales of DiagnoCure's non-invasive bladder cancer test, ImmunoCyt™ / uCyt+™,

were \$343,750 for 2008 versus \$352,351 for the same period a year ago. Income from research and development contracts, predominantly with Gen-Probe, has decreased in 2008 by \$166,604 as specific PCA3-related contracted R&D projects got completed. Also in this period, DiagnoCure sold clinical samples to Gen-Probe, in support of their prostate cancer testing R&D, for an amount of \$180,814 compared with \$80,412 in the same period of 2007.

Interest income increased by \$14,080, to \$1,208,959 for 2008 compared with \$1,194,879 for the same period of 2007.

Cost of sales increased by \$58,490, from \$264,285 for 2007 to \$322,775 for 2008. This increase is related to higher sample sales.

Operating expenses increased from \$12,359,359 for 2007 to \$15,597,476 for 2008, an increase of \$3,238,117, reflecting the start of the Company's U.S. clinical laboratory activities, the CLIA certification of our new laboratory and the launch of the Previstage™ GCC Colorectal Cancer Staging Test.

Based on the above, for the year ended October 31, 2008, DiagnoCure recorded a net loss of \$13,833,978 or \$0.33 per share, compared with \$9,156,219 or \$0.24 per share, for the same period of 2007. These results are substantially in line with Management expectations and reflect activities undertaken during this fiscal year, in line with the Company's plans and on-going commitment to develop high-value diagnostic tests for the detection and management of cancer. As at October 31, 2008, short-term and long-term investments stood at \$20,130,705, down from \$32,867,526 as of October 31, 2007. This decrease of \$12,736,821 is due to the use of liquidity to finance the operating activities and acquisitions of property, plant and equipment, and of intangibles for this period. Management is satisfied that it has adequate cash resources for continued operations.

#### **Results for the fourth quarter of fiscal 2008**

Total revenues for the fourth quarter of 2008 were \$502,272 compared with \$495,844 for the fourth quarter of 2007. This increase of \$6,428 is mostly attributable to the increase in the royalty revenue from Gen-Probe, which increased in the fourth quarter of 2008 to \$110,770, compared with \$43,787 for the fourth quarter of 2007. Sales of DiagnoCure's non-invasive bladder cancer test, ImmunoCyt™ / uCyt+™, were \$65,402 for the fourth quarter of 2008 versus \$79,085 for the same period a year ago. Also in this quarter, DiagnoCure sold clinical samples to Gen-Probe, in support of their prostate cancer testing R&D, for an amount of \$58,441 compared with \$13,911 in the fourth quarter of 2007.

Interest income decreased \$90,269 to \$267,659 for the fourth quarter of 2008 compared with \$357,928 for the fourth quarter of 2007. The decrease is attributable to DiagnoCure's use of fund to finance the operating activities and the reduction of interest yield in its investments.

Cost of sales increased \$15,819 from \$62,875 for the fourth quarter of 2007 to \$78,694 for the fourth quarter of 2008. This increase is related to higher samples sales.

Based on the above, for the fourth quarter of 2008, DiagnoCure recorded a net loss of \$3,568,321, or \$0.09 per share, compared with a loss of \$3,320,193, or \$0.09 per share, for the fourth quarter of 2007. These results are substantially in line with Management expectations and reflect the sales and marketing activities that led to the launch of the Previstage™ GCC test in late summer 2008 and the first orders of the test.

## Financial data

<i>For the periods of</i>	Three months ended October 31		Years ended October 31	
	2008	2007	2008	2007
Sales	123,843	94,129	524,564	432,763
Revenue under research and license agreement	110,770	43,787	262,387	1,839,783
Interest	267,659	357,928	1,208,959	1,194,879
Total revenues	502,272	495,844	1,995,910	3,467,425
Cost of sales	78,694	62,875	322,775	264,285
Gross margin	423,578	432,969	1,673,135	3,203,140
Operating expenses (before stock-based compensation, restructuring charges and income taxes)	3,833,059	3,111,445	14,422,803	9,545,873
Net loss (before stock-based compensation, restructuring charges and income taxes)	( 3,409,481 )	( 2,678,476 )	( 12,749,668 )	( 6,342,733 )
Restructuring charges	55,034	350,000	55,034	1,262,685
Stock-based compensation	194,169	291,717	1,119,639	1,550,801
Future income taxes	( 90,363 )	---	( 90,363 )	---
Net loss	( 3,568,321 )	( 3,320,193 )	( 13,833,978 )	( 9,156,219 )
Basic and diluted net loss per share	( 0.09 )	( 0.09 )	( 0.33 )	( 0.24 )
Weighted average number of common shares outstanding	42,794,475	41,718,463	42,272,320	38,422,096

## Balance sheets

As of October 31

	2008	2007
Cash, cash equivalents, temporary and long-term investments	20,130,705	32,867,526
Total assets	33,146,066	43,585,440
Shareholders' equity	29,639,848	40,191,471
Number of common shares outstanding	42,794,475	41,718,463

## About DiagnoCure

DiagnoCure (TSX: CUR) is a life sciences company commercializing high-value cancer diagnostic tests and delivering laboratory services that increase clinician and patient confidence in making critical treatment decisions. In August 2008, DiagnoCure Oncology Laboratories, a subsidiary of DiagnoCure Inc., launched the Previstage™ GCC Colorectal Cancer Staging Test, the first GCC-based molecular test for the management of colorectal cancer. The Company also has a strategic alliance with Gen-Probe (NASDAQ: GPRO) for the development and commercialization of a second-generation prostate cancer test using PCA3, DiagnoCure's proprietary molecular marker. This test is also available through laboratories in the U.S. using PCA3 analyte specific reagents (ASR) from Gen-Probe, in Europe as the CE-marked PROGENSA™ PCA3 *in vitro* assay, and in Canada. For more information, visit [www.diagnocure.com](http://www.diagnocure.com).

## **Forward-looking statements**

This release contains forward-looking statements that involve known and unknown risks, uncertainties and assumptions that may cause actual results to differ materially from those expected. By their very nature, forward-looking statements are based on expectations and hypotheses and also involve risks and uncertainties, known and unknown, many of which are beyond DiagnoCure's control. As a result, investors are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements regarding the outcome of research and development projects, clinical studies and future revenues are based on management expectations. In addition, the reader is referred to the applicable general risks and uncertainties described in DiagnoCure's most recent Annual Information Form under the heading "Risk Factors". DiagnoCure undertakes no obligation to publicly update or revise any forward-looking statements contained herein.

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