



**PRESS RELEASE**  
*For immediate release*

**Ticker Symbol: CUR**

## **DIAGNOCURE ANNOUNCES FISCAL 2006 SECOND QUARTER RESULTS**

**QUEBEC CITY (June 5, 2006)** – DiagnoCure Inc. (TSX: CUR), a leading developer and provider of innovative high-value cell-based assays and molecular diagnostics for the detection of cancers, today announced its financial results for the second quarter ended April 30, 2006.

### **Results for the Second Quarter of Fiscal 2006**

Total revenues for the second quarter of 2006 were \$1,425,180 compared with \$1,960,312 for the second quarter of 2005. Sales of ImmunoCyt™ / uCyt+™ were \$81,961 for the second quarter of 2006 versus \$138,542 for the same period a year ago. Income from research & development contracts, predominantly with Gen-Probe, has decreased in the second quarter of 2006 by \$256,474 as was anticipated under the contract terms. Revenues from uPM3™ ASR test for the second quarter were \$183,711 compared to \$121,360 for the same period of 2005.

Sales of our subsidiary Samba Technologies SAS, after elimination of inter-company transactions, were \$162,123 for the second quarter of 2006 compared to \$489,940 a year ago.

Cost of sales decreased \$220,416 from \$588,171 for the second quarter of 2005 to \$367,755 for the same of 2006. Operating expenses rose from \$1,999,000 for the second quarter of 2005 to \$2,723,677 for the same period in 2006, for an increase of \$724,677, substantially attributable to increased research & development spending inline with our R & D program and to an increase in administrative employees.

Based on the above, for the second quarter of 2006, DiagnoCure recorded a net loss of \$1,666,252 or \$0.05 per share, compared with \$626,859, or \$0.02 per share, for the same period of 2005. These results are in line with management expectations.

As of April 30, 2006, cash, cash equivalents, temporary investments, and long-term investments amounted to \$21,838,096 compared with \$22,721,705 as of October 31, 2005. Management is satisfied that it has adequate cash resources to execute its business plan in the near-term and mid-term.

### **Highlights of the Quarter**

Gen-Probe, DiagnoCure's exclusive sub-licensee for diagnostic applications of the PCA3 gene, indicated in December 2005 that it had begun shipping to customers analyte-specific reagents (ASR) for quantifying the expression of the PCA3 gene. In April 2006, two U.S. laboratories announced the commercial availability of PCA3 assay. DiagnoCure expects to receive its first royalty payments from Gen-Probe PCA3 APTIMA® ASR sales in the current fiscal year.

During the month of May 2006, five independent studies reporting various clinical aspects of the PCA3 gene were featured at the meeting of the American Urological Association in Atlanta, GA by highly respected institutions in three countries, further defining the potential clinical utility of the gene. The two laboratories that announced the commercial availability of the PCA3 ASR test were present at the AUA and prominently featured their tests in their booths.

These AUA presentations follow closely similar presentations at the recent meeting of the European Urological Association in Paris where Gen-Probe sponsored a successful symposium on the potential clinical use of the gene. Gen-Probe has previously announced their intention to launch a PCA3 test kit in Europe later this year once CE marking requirements are met.

On May 30, 2006, DiagnoCure and Gen-Probe jointly announced that they have amended and expanded the terms of their license and collaboration agreement.

On March 16, 2006, Pierre Désy, President and Chief Executive Officer of the Company, announced his intention to retire in the coming fiscal year. Mr. Désy will remain in his current role until the Board of Directors appoints a new President and CEO. The Board has already established a selection committee to find a replacement for Mr. Désy.

## Financial Data

For the periods of	Three-month ended April 30		Six-month ended April 30	
	2006	2005	2006	2005
Sales	<b>495,390</b>	749,842	<b>944,408</b>	1,283,001
Revenue under research and license agreement	<b>739,107</b>	995,581	<b>1,616,703</b>	2,039,327
Interest	<b>190,683</b>	214,889	<b>383,682</b>	421,236
Total revenues	<b>1,425,180</b>	1,960,312	<b>2,944,793</b>	3,743,564
Cost of sales	<b>367,755</b>	588,171	<b>672,421</b>	928,824
Gross margin	<b>1,057,425</b>	1,372,141	<b>2,272,372</b>	2,814,740
Operating expenses*	<b>2,723,677</b>	1,999,000	<b>5,637,272</b>	4,049,206
Net loss *	<b>( 1,666,252 )</b>	( 626,859 )	<b>( 3,364,900 )</b>	( 1,234,466 )
Diluted net loss per share	<b>( 0.05 )</b>	( 0.02 )	<b>( 0.10 )</b>	( 0.04 )
Weighted average number of common shares outstanding	<b>34,372,585</b>	34,193,809	<b>34,365,301</b>	34,192,102
<i>*Includes non-cash expense adjustment for stock-based compensation</i>	<i>265,091</i>	<i>268,691</i>	<i>548,484</i>	<i>601,254</i>

## Consolidated Balance Sheets

	As at April 30	
	2006	2005
Cash, cash equivalents, temporary and long-term investments	<b>21,838,096</b>	25,356,069
Total assets	<b>25,144,208</b>	27,905,329
Shareholders' equity	<b>22,592,089</b>	26,259,579

## About DiagnoCure

DiagnoCure specializes in the development, production and commercialization of diagnostic tests for the detection of cancers. DiagnoCure's first product, ImmunoCyt™ /uCyt+™, is an important tool for the diagnosis and monitoring of bladder cancer. In 2003, the Company completed the development of uPM3™, a non-invasive test for the early detection of prostate cancer, and granted an exclusive worldwide license for the use of the PCA3 technology in prostate cancer diagnosis to Gen-Probe (NASDAQ: GPRO). After successfully completing a lung cancer pilot study on bronchial aspirates, and having signed a license agreement with Genzyme Corp. for the exclusive rights to a bank of molecular markers in lung cancer, DiagnoCure is now exploring additional applications for lung cancer detection using other testing media such as blood, sputum, or biopsy materials. Additional information can be found at [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 hypothesis 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 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 heading "Risk Factors". DiagnoCure undertakes no obligation to publicly update or revise any forward-looking statements contained herein.

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