



FOR IMMEDIATE RELEASE

Micrologix Reports Phase III Trial Results of MBI 226
Statistical Superiority Not Achieved in Preventing Bloodstream Infections

Vancouver, BC, CANADA and Deerfield, IL, USA – July 23, 2003 – Micrologix Biotech Inc. (TSX: MBI; OTC: MGIXF) and Fujisawa Healthcare, Inc. reported preliminary top line results from the MBI 226 Phase III trial which showed no statistically significant superiority in preventing central venous catheter-related bloodstream infections compared with the standard of care (povidone iodine), thereby not achieving the primary endpoint of the study.

In summary, the results showed:

- The rate of catheter-related bloodstream infections in the MBI 226 group was 2.2% compared with 2.6% in the povidone iodine group. This result was not statistically significant ($p=0.966$). A total of 1392 patients were evaluated in the primary analysis.
- MBI 226 did demonstrate statistically significant superiority in preventing catheter colonization, one of the secondary endpoints in the study. The catheter colonization rate (patients with one or more colonized catheters) was 31% in the MBI 226 group as compared with 40% in the povidone iodine group ($p=0.002$).
- No serious adverse events related to the use of MBI 226 were encountered in the trial. Only 2% of patients encountered minor treatment-related adverse events with no difference in the rate of adverse events reported between the two treatment groups.

“While we are disappointed with these results, regarding our strategy and operations, very little changes”, stated Jim DeMesa, M.D., President & CEO of Micrologix. “With our broad pipeline, solid cash position, and experienced team, we will continue to execute our strategy as we have proven we can. Our priorities are to successfully complete our MBI 594AN Phase IIb clinical study, secure a partner for this program, and generate additional development candidates from our anti-infective portfolio, while simultaneously managing our burn rate and cash position.”

David Friedland, M.D., Vice President of Clinical & Medical Affairs of Micrologix stated, “Everything was done to maximize the chance of success in this study. We will now work with Fujisawa to determine the future of MBI 226.”

Ira D. Lawrence, M.D., Senior Vice President, R&D at Fujisawa Healthcare, Inc. added, “As we more thoroughly review the Phase III clinical data, we will be better able to make decisions on the future direction of MBI 226.”

Fujisawa, under the terms of their collaboration and license agreement with Micrologix, has 60 days in which to decide on whether to terminate the agreement based on these results.

Conference Call

Investors, analysts and the media are invited to participate in a conference call today (July 23, 2003) at 8:30 a.m. ET (5:30 a.m. PT) to discuss this announcement. Please telephone 1-877-295-2825 (U.S. and Canada) or 416-405-8532 (Toronto area callers). A replay of this call will be available from July 23 at 11:00 a.m. ET through July 30, 2003. The playback number is: 1-800-408-3053, reservation number 1462316 or 416-695-5800, reservation number 1462316. The call will also be web cast at www.mbiotech.com.

About the Phase III Trial

The primary objective of the Phase III trial was to demonstrate that MBI 226, administered at central venous catheter insertion sites, is superior to povidone iodine in preventing central venous catheter-related bloodstream infections. In the Phase III trial, MBI 226 was compared with povidone iodine, in a randomized, multi-center study. Of 1452 patients enrolled, 1409 were treated, and 1407 were evaluated for safety.

Background on CVC-Related Bloodstream Infections

Central venous catheters ("CVC"s) are devices used by physicians to deliver therapeutic and nutritional agents, sample blood and monitor a patient's status. They are commonly inserted through the chest wall, groin, or neck, into a major vein, for example, the jugular vein. Each year in the US, more than five million CVCs are sold, and it is estimated by the US Center for Disease Control that catheter-related bloodstream infections develop in approximately 250,000 patients, resulting in approximately 50,000 deaths. On average, a patient with a CVC-related bloodstream infection spends an additional 6.5 days in intensive care at a cost of US\$25,000. As such, these infections increase the annual cost to the US health care system by more than US\$5 billion annually.

The vast majority of central venous catheter-related bloodstream infections occur when bacteria and/or fungi that colonize the patient's skin around the catheter insertion site migrate down the catheter tract to colonize the implanted portion of the device. These microorganisms then break away from the colonized catheter, seeding into the blood and causing subsequent bloodstream infections, also known as "blood poisoning". In many cases, the organisms that cause these infections have developed resistance to conventional antibiotics.

About Fujisawa Healthcare, Inc.

Fujisawa Healthcare, Inc., headquartered in Deerfield, IL, US, develops, manufactures, and markets proprietary pharmaceutical products in the United States and abroad. Fujisawa Healthcare, Inc. is a subsidiary of Fujisawa Pharmaceutical Co., Ltd., based in Osaka, Japan. Fujisawa Pharmaceutical Co., Ltd., founded in 1894, is a leading pharmaceutical company with over 8,100 employees at international operations in North America, Europe, and Asia. Fujisawa markets a broad range of products in North America in the following therapeutic areas: anti-infectives, dermatology, transplantation and cardiovascular.

About Micrologix

Micrologix Biotech Inc. is engaged in the research, development, and commercialization of drugs that advance therapy, improve health, and enrich lives. The Company's focus is toward anti-infective drug development with three product candidates in human clinical development, multiple product opportunities in preclinical development, and several early-stage technologies in various stages of research and evaluation.

"Jim DeMesa"

James DeMesa, MD
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Certain statements in this news release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Forward-looking statements in this release include, but are not limited to Micrologix successfully completing the Phase IIb trial of MBI 594AN; Micrologix obtaining a development partner for MBI 594AN; and Micrologix successfully generating additional product candidates from its portfolio. These statements are only predictions and actual events or results may differ materially. Factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements include, but are not limited to: early stage of development; technology and product development; dependence on and management of current and future corporate collaborations; future capital needs; uncertainty of additional funding; no assurance of market acceptance; dependence on proprietary technology and uncertainty of patent protection; intense competition; manufacturing and market uncertainties; and government regulation. These and other factors are described in detail in the Company's Annual Information Form and Annual Report on Form 20-F, forthcoming news releases and other filings with the Canadian securities regulatory authorities and the U.S. Securities & Exchange Commission. Forward-looking statements are based on our current expectations and Micrologix is not obligated to update such information to reflect later events or developments.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.