# BIOCRYST REPORTS THIRD QUARTER 1998 FINANCIAL RESULTS

**Birmingham, Alabama – October 28, 1998** -- BioCryst Pharmaceuticals, Inc. (Nasdaq NM: BCRX), today announced financial results for the third quarter ended September 30, 1998. The Company reported revenues for the third quarter of $6,249,000, compared to $387,000 in the third quarter of 1997. The net income for the quarter ended September 30, 1998 was $2,667,000, or $0.19 per share, compared to a net loss of $2,513,000, or ($0.18) per share, for the same period last year.

The increase in revenues and net income is primarily due to the collaborative and other research and development revenue recognized during the third quarter of 1998 attributable to the agreements with the Johnson and Johnson companies discussed below. Expenses associated with the collaborative and other research and development revenue were the main reason for the increase in general and administrative expenses in the third quarter of 1998 compared to the same period in 1997. There were no income taxes, due to the availability of tax loss carryforwards. As of September 30, 1998, the Company had cash, cash equivalents and investments of $16.5 million. This amount does not include the $6 million in up-front fees and the $6 million of equity investment, which were received in the fourth quarter and are discussed in the following two paragraphs.

During the quarter, BioCryst announced a worldwide license agreement with the R.W. Johnson Pharmaceutical Research Institute (PRI) and Ortho-McNeil Pharmaceutical, Inc., both Johnson & Johnson (NYSE: JNJ) companies, to develop and market products to treat and prevent viral influenza. Under the agreement, PRI and Ortho-McNeil received exclusive worldwide rights to BioCryst's proprietary influenza neuraminidase inhibitors, including its lead product candidates, BCX-1812, 1827, 1898 and 1923. These orally administered compounds have each demonstrated potent activity in preclinical models against a broad spectrum of influenza A and B viruses. Clinical studies will be required to assess the safety and efficacy of the compounds in humans.

Under the terms of the agreement, BioCryst received $6 million in cash up front. Additionally, BioCryst may receive undisclosed cash payments upon achievement of specified developmental and regulatory milestones and undisclosed royalties on sales of any products marketed under the agreement. Subsequent to the close of the quarter, BioCryst announced the completion of a $6 million equity investment from Johnson & Johnson Development Corporation. Under the terms of the equity arrangement, Johnson & Johnson Development Corporation purchased 918,836 shares of newly issued BioCryst common stock, based on the average closing sales price of BioCryst's common stock over a 20-day period.

Founded in 1986, BioCryst Pharmaceuticals, Inc. designs and develops novel small-molecule pharmaceuticals using structure-based drug design, an approach to drug discovery that integrates advanced biology, biophysics and medicinal chemistry. The Company is in clinical trials with its purine nucleoside phosphorylase inhibitor drug candidate, BCX-34, for T-cell related disorders such as psoriasis, cutaneous T-cell lymphoma and HIV. In addition, the Company is in a clinical trial with its serine protease inhibitor drug candidate, BCX-1470, which is designed to inhibit activation of the complement pathway.

This press release contains projections or other forward-looking statements regarding future events or the future financial performance of the Company. These statements are only predictions and the actual events or results may differ materially. Some of the factors that could affect the forward-looking statements contained herein include, without limitation, that there can be no assurances that either the Company's or the collaborative partners' research or product development efforts as to any particular compound will be successfully completed, that the agreements with the Company's collaborative partners will not be terminated according to their terms, that research and testing will result in milestone or royalty payments under the agreements with collaborative partners and there can be no assurance as to timing by which products will be cleared for marketing, that the compounds currently under development will be safe or efficacious, or that required regulatory clearances can be obtained from the U.S. Food and Drug Administration. Please refer to the documents BioCryst files from time to time with the Securities and Exchange Commission, specifically BioCryst's most recent Form 10-K and Form 10-Q. These documents contain and identify important factors that could cause the actual results to differ materially from those contained in the projections or forward-looking statements.