October 24, 2013

CytoDyn Inc. Completes $14.5 Million Private Equity Offering

VANCOUVER, Wash.-- CytoDyn Inc. (“CytoDyn”) (OTCQB:CYDY), a biotechnology company focused on the development of new therapies for combating infection with immune deficiency viruses, announced the completion of its equity capital raise for a total of $14.5 million through a private offering. Additional details about the offering are included in CytoDyn's Current Report on Form 8-K filed today with the Securities and Exchange Commission and available under "Investors--Financial Information" at www.cytodyn.com.

The proceeds from the offering will be used to fund current operating expenses in order to continue the development of the Company’s primary drug candidate, PRO 140, which is believed to be one of the leading monoclonal antibodies for the treatment of HIV.

Dr. Nader Pourhassan, CytoDyn’s President and CEO, stated, “We are very pleased with the results of our fund raising efforts. CytoDyn is now well positioned to advance PRO 140 as a leading HIV-therapy candidate and to achieve our milestones as we progress into our upcoming clinical trials.”

Paulson Investment Company, Inc. served as the Company’s placement agent in the private offering. Dr. Pourhassan commented, “We are most appreciative of the effort put forth by Paulson in this capital raise. The thoroughness of their due diligence on our science enhanced our credibility and visibility in the investment community. The results speak for themselves.”

PRO 140 belongs to a class of entry inhibitors that block HIV from entering and infecting certain cells. PRO 140 has been the subject of one Phase I and two Phase IIa clinical trials, each of which demonstrated PRO 140’s ability to significantly reduce HIV viral load in human test subjects, and has also been designated a “fast track” product candidate by the United States Food and Drug Administration. The PRO 140 antibody appears to be a powerful antiviral agent, while not being a drug, leading to potentially fewer side effects and less frequent dosing requirements, as compared to daily drug therapies currently in use. The Company previously announced its plans to commence clinical trials in the fourth quarter of 2013, which collectively are expected to constitute a Phase IIb trial and will be funded by two grants from the National Institutes of Health to Drexel University College of Medicine.

The Company also recently completed the relocation of its corporate office from Lake Oswego, Oregon, a suburb of Portland, to nearby Vancouver, Washington.

The Company

CytoDyn is a biotechnology company focused on developing subcutaneously delivered humanized cell-specific monoclonal antibodies (mAbs) as entry inhibitors for the treatment

and prevention of Human Immunodeficiency Virus (HIV). The Company has one of the leading mAbs under development for HIV infection, PRO 140, which is a Late Stage II humanized mAb with demonstrated antiviral activity in man. PRO 140 blocks the HIV co-receptor CCR5 and clinical trial results thus far indicate that it does not affect the normal function of the cell. Results from Phase I and Phase IIa human clinical trials have shown that PRO 140 can significantly reduce viral burden in people infected with HIV. CytoDyn intends to continue to develop PRO 140 as a therapeutic anti-viral agent in persons infected with HIV. For more information on the Company, please visit www.cytodyn.com.

About Paulson Capital Corp.

Paulson Capital Corp. is the parent company of Paulson Investment Company, Inc. (NASDAQ:PLCC). Headquartered in Portland, Oregon, Paulson Investment Company, Inc. is a national leader in public offerings of small and emerging growth companies with capital needs of $5 million to $45 million. Founded by Chester "Chet" Paulson in 1970, it has managed or underwritten 170 securities offerings and has generated more than $1.2 billion for client companies.

Forward-Looking Statements

This press release includes forward-looking statements and forward-looking information within the meaning of United States securities laws. These statements and information represent CytoDyn's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors, many beyond CytoDyn's control. These factors could cause actual results to differ materially from such forward-looking statements or information. The words "believe," "estimate," "expect," "intend," "attempt," "anticipate," "foresee," "plan," and similar expressions and variations thereof, identify certain of such forward-looking statements or forward-looking information, which speak only as of the date on which they are made.

CytoDyn disclaims any intention or obligation to publicly update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on these forward-looking statements or forward-looking information. While it is impossible to identify or predict all such matters, these differences may result from, among other things, the inherent uncertainty of the timing and success of, and expense associated with, research, development, regulatory approval and commercialization of CytoDyn's products and product candidates, including the risks that clinical trials will not commence or proceed as planned; products appearing promising in early trials will not demonstrate efficacy or safety in larger-scale trials; future clinical trial data on CytoDyn's products and product candidates will be unfavorable; CytoDyn's products will not receive marketing approval from regulators or, if approved, fail to gain sufficient market acceptance to justify development and commercialization costs; competing products currently on the market or in development may reduce the commercial potential of CytoDyn's products; CytoDyn, its collaborators or others may identify side effects after the product is on the market; or efficacy or safety concerns regarding marketed products, whether or not scientifically justified, may lead to product recalls, withdrawals of marketing approval, reformulation of the product, additional pre-clinical testing or clinical trials, changes in labeling of the product, the need for additional marketing applications, or other adverse events.

CytoDyn is also subject to additional risks and uncertainties, including risks associated with the actions of its corporate, academic and other collaborators and government regulatory agencies; risks from market forces and trends; potential product liability; intellectual property, litigation, environmental and other risks; and risks that current and pending patent protection for its products may be invalid, unenforceable or challenged, or fail to provide adequate market exclusivity. There are also substantial risks arising out of CytoDyn's need to raise additional capital to develop its products and satisfy its financial obligations; the highly regulated nature of its business, including government cost-containment initiatives and restrictions on third-party payments for its products; the highly competitive nature of its industry; and other factors set forth in CytoDyn's Annual Report on Form 10-K and other reports filed with the U.S. Securities and Exchange Commission.

CytoDyn Inc.
Nader Pourhassan, Ph.D., 360-980-8524
President & CEO

Source: CytoDyn Inc.