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Akers Biosciences, Inc.

("ABI" or the "Company")

Interim Results for the Six Months Ended 30 June 2009

ABI, a leading designer and manufacturer of rapid diagnostic screening and testing products, today announces its interim results for the half year ended 30 June 2009. The Company's management continued to focus on streamlining business processes and executing its research and development plan enabling ABI to take advantage of opportunities in the second half of 2009 into 2010.

Financial Summary

- Gross margins increased by 18% over the same period last year: 79.1% (H12008: 67.1%)
- Revenue of \$1.18 million (H12008: \$3.43 million)
- Adjusted EBITDA (\$532,009) (H12008: \$1.4 million)
- Adjusted Loss Before Tax \$335,586 (H12008: \$251,008)
- Company continues to be long-term debt free with current assets in cash and cash equivalents of \$3.98 million (H1 2008: \$5.11 million)

Post Balance Sheet Events

- Signed exclusive agreement with a US based manufacturer and distributor of electronic alcohol analyzers to provide private-labelled disposable breath alcohol detectors within previously untapped, high-volume, direct-to-consumer markets
- Executed distribution agreement with AFRICA Continental Holdings, LLC to supply Rapid Malaria Tests for use initially in Ghana

Operational Highlights

- Product shipments of the *PIFA*[®] *Heparin/PF4 Rapid Assay* increased by 81% as compared to H1 2008 as management continued to expand US and international distribution
- Developed flexible manufacturing system that will optimise resource management and enable ABI to shorten the timeframe between research and development and commercialization
- Completed development of the *BreathScanner*[™], a digital analyzer that will be incorporated into the *BreathScan*[®] *PRO* alcohol detection system which facilitates the objective interpretation of breath alcohol levels ranging from 0.00% to 1.50% and above
- *BreathScan*[®] Military Safety Program continued to be embraced by US Army and Naval bases around the world, with some installations reporting as much as a 65% decrease in alcohol-related incidences
- Clinical trials of *Breath Ketone "Check"*[®] demonstrated product efficacy and quality of life enhancement for patients at risk for developing diabetic ketoacidosis. Pre-launch marketing activities were initiated and product launch is targeted for Q4 2009
- Development of *Breath PulmoHealth "Check"*[®] on target with final clinical trials anticipated for early Q1 2010 and product launch targeted in 2010
- Disposable Breath Alcohol detectors launched in major US retail pharmacies under a leading US home testing brand.

Thomas A. Nicolette, Chief Executive Officer, commented,

“We have made significant progress towards our goal of expanding the domestic and international markets for our core tests. Furthermore, the Company is on track to launch three new rapid diagnostic products over the span of Q4 2009 through Q1 2010; two are “first-in-class”, disposable breath tests in the fields of cancer screening and diabetes management, and the other is an exciting addition to our *BreathScan*[®] product line. We remain cautiously optimistic that ABI's *BreathScan*[®] *Military Safety Units*, currently utilized by various branches of the United States Military, will be a major revenue generator going forward, as we continue to facilitate a consistent flow of base-specific orders for both the key chain units and detector refills. The timing of larger, service-wide government contracts with budget allocations remain beyond our control.”

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Chairman's Statement

I am pleased to present an overview of performance in the first six months of the current financial year which ended on 30 June 2009. It is important to note that, owing to the specific nature and degree of maturity of our products, revenues continue to arrive somewhat sporadically. This will smooth out in time, particularly as the delivery of *BreathScan*[®] becomes a steadier process moving into 2010. Performance this year will likely be weighted to the second half.

Financial Review

Revenue in the first half was \$1.18m (H12008: \$3.43m). Adjusted EBITDA was (\$532,009) (H12008: \$1.4m). Adjusted Loss before Tax was \$335,586. The Company continues to benefit from a zero tax rate resulting from historic losses during its research and development phase. Cash at 30 June 2009 was \$3.98 million (H1 2008: \$5.11 million), mostly due to a 21% decrease in the exchange rate between USD and the British Pound. The Company has no long term debt.

Edward Mulhare
Chairman
30 September 2009

Chief Executive's Review

At present ABI continues to derive the bulk of its sales from four core product lines:

PIFA[®] Heparin/PF4 Rapid Assay
BreathScan[®] Breath Alcohol
Free Radical Enzymatic Device ("FReD")
Tri-Cholesterol "Check"[®]

These core products will be joined, in the near future, by a further three tests currently in the advanced phases of development:

Breath Ketone "Check"[®]
Breath PulmoHealth "Check"[®]
BreathScan[®] PRO

PIFA[®] Heparin/PF4 Rapid Assay

The *PIFA[®] Heparin /PF4 (HPF4) Rapid Assay* quickly determines if a patient being treated with the blood thinner drug, Heparin, may be developing a drug allergy. If this occurs, exposure to Heparin will have the opposite effect of its intended use and may cause life- or limb-threatening blood clots. The *PIFA[®]* assay is the only FDA-cleared, single-use device marketed in the US for detection of antibodies to complexes of HPF4. In the EU, it is only HPF4 rapid test that does not require any additional instrumentation. Sales of this product represented 31 per cent of ABI's revenues in the first half of 2009. Shipments of the *PIFA[®]* product increased by 81 per cent during the first 6 months of 2009 as compared to H1 2008 as growth was seen in the Company's US and International distribution networks. *PIFA[®]* is currently used in over 77 per cent of the 50 US States, as well as in Germany, the UK and the Netherlands. ABI is confident that this momentum will continue as efforts are being made to further expand its *PIFA[®]* distribution network worldwide.

In addition, ABI has initiated a clinical trial with a major US medical centre to analyse how the *PIFA[®] Heparin /PF4 Rapid Assay* compares with other HPF4 antibody testing methods. However, these comparative methods are considered high complexity and require the use of expensive equipment and, at minimum, take hours to perform. The Company anticipates interim data will become available by mid-Q4 2009, with the final study report earmarked for publication in the early 2010. This third party analysis is expected to help further position the benefits of the assay to a much broader, international audience.

With the aforementioned in mind, ABI is confident that the *PIFA[®] Heparin /PF4 Rapid Assay* will continue to gain acceptance within the international marketplace through the remainder of 2009 and in time, become an industry standard screening tool with blockbuster potential for the Company.

BreathScan[®]

The *BreathScan[®]* line of disposable breath alcohol detectors represented 26 per cent. of ABI's revenue in the first half of 2009. Although the Company is now selling the product over-the-counter through targeted, private label agreements, the largest established customers for *BreathScan[®]* breath alcohol detectors are government and military organisations that utilise the *BreathScan[®]* units for various safety and healthcare initiatives. The US Department of Defense ("DoD") has incorporated ABI's *BreathScan[®] Military Safety Units* in its comprehensive, Privately Owned Vehicle ("POV") Safety Program. The Units feature a custom, branch-specific key chain that houses a disposable *BreathScan[®]* .04% detector. Since *BreathScan[®]* is a single-use device, detector refills are needed consistently by program administrators to ensure that the safety initiative can be maintained as part of their enduring program. We remain cautiously optimistic

that the *BreathScan*[®] *Military Safety Program* will be a major contributor to the Company's bottomline moving forward. We continue to receive a relatively consistent stream of orders from US bases worldwide, for both the key chain units and detector refills. This ongoing demand, together with the military's dedication to building a culture of safety that includes the implementation of alcohol-related countermeasures, may lead to service-wide financial support of the *BreathScan*[®] program.

The *BreathScan*[®] line of detectors is designed to measure the level of alcohol in the breath via a simple, non invasive, disposable breath condensate collection device. The reagent within the tube is based on ABI's proprietary MPC Biosensor technology, and can be calibrated to .02 per cent., .04 per cent., .05 per cent. or .08 per cent. breath alcohol levels to suit different organisational or safety requirements. The .04 per cent. detector is deemed an exclusive product for the US Government and military market and is the only product sold directly by the Company. .

The Company is expanding its network of distributors in the US and abroad with careful consideration to ensure that any partnerships forged present sizable opportunities for growth. ABI has made good progress in the first half of 2009 towards this, with the product now in retail and on the shelves of major pharmacy chain stores throughout the US under the leading home test brand "First Check**".

Free Radical Enzymatic Device ("FReD")

The technology pertaining to *FReD*, which monitors the level of free radical activity in the body, was sold at the end of 2008 to PULSE Health, for whom it was developed, for \$3 million. The reason it remains a core product to ABI is because of the associated multi-year supply agreement whereby ABI will continue to manufacture the product for PULSE Health and earn both a manufacturing fee and royalty. This product contributed 43 per cent. of revenue in the first half of 2009. During the period PULSE Health successfully signed a contract with a leading nutraceutical product company which we hope will lead to the commencement of large volume supply of the device in 2010.

Though the success of this product, now sold, is no longer in the Company's hands, the Board continues to view *FReD* as an attractive revenue generator for ABI in the medium term but ultimately that it will not be comparable in scale to other larger tests, such as *PIFA*[®] *Heparin/PF4 Rapid Assay*, *Breath PulmoHealth "Check"*[®] and *Breath Ketone "Check"*[®] which are addressing vast markets.

***Tri-Cholesterol "Check"*[®]**

Heart disease is the leading cause of death for both men and women. Awareness of heart disease is increasing significantly in developed countries and particularly in the US where high cholesterol is prevalent. The desire and understanding amongst Americans of the benefits of regular self-testing of cholesterol levels is rising. ABI has developed the only self test in the world that provides a reading, not only for total cholesterol, but for HDL (good cholesterol) and an estimate of LDL (bad cholesterol).

During the first half of 2009, progress has been made in attaining the necessary regulatory clearance for the *Tri-Cholesterol "Check"*[®] test to be sold over-the-counter in the USA. The product is already committed to the leading home test brand "First Check" and it is anticipated the first sales of the "*First Check*" branded *Tri-Cholesterol "Check"*[®] test may be in major US retailers in early 2010.

Non Core Products

There are numerous other developed tests within the ABI product suite, such as *Battlefield Blood Transfusion* card and tests for infectious diseases such as malaria. Most of these are targeted at

niche markets, many of which reside outside of the USA as demonstrated by the Company's recently executed distribution agreement with AFRICA Continental Holdings, LLC to supply Rapid Malaria Tests for use initially in Ghana. ABI continues to pursue opportunities that arise within this non-core portfolio that represent relatively sizable, revenue-generating opportunities.

New Product Development

The three most exciting products on the near horizon have sprung from ABI's MPC Biosensor technology, the same technology in use within *BreathScan*[®] and *FReD*. They are the *Breath Ketone "Check"*[®], *Breath PulmoHealth "Check"*[®], and *BreathScan*[®] *PRO*.

***Breath Ketone "Check"*[®]**

Breath Ketone "Check"[®] detects the presence of ketones in a diabetic's breath sample. Ketones are acids that build up in the blood and are warning signs of Diabetic Ketoacidosis, a severe and potentially life-threatening condition. It is estimated that there are over 220 million people worldwide with diabetes and every diabetic is at risk of developing Ketoacidosis.

A clinical trial of ABI's *Breath Ketone "Check"*[®] was recently carried out in a major US research center. For reasons of commercial sensitivity, the Company has not disclosed any specific details concerning the trials, suffice it to say that these were successful. The Company is addressing a market where millions of diabetics around the world must routinely have invasive tests to monitor their ketone levels and has developed a simple, non-invasive breath based test to attain the same result. It is attractive to healthcare professionals who may be able to be reimbursed for the *Breath Ketone "Check"*[®] test as it will enable them to easily screen for diabetic complications in patients of all ages. It is even more appealing to diabetics as the Company's breath condensate test will significantly reduce the number of blood and urine tests that patients will need to be subjected to on a regular basis.

It is not a realistic objective or indeed our business strategy for ABI to distribute this product directly. It makes greater commercial sense to partner with major, established, diabetic product distributors in each geographic market. With the benefit of the clinical trials, ABI is now beginning to engage such agencies in dialog.

***Breath PulmoHealth "Check"*[®]**

In early 2008, ABI's scientists identified a biomarker present in breath condensate that indicates the presence of an inflammatory condition that signals the development of cancer in the lung. The *Breath PulmoHealth "Check"*[®] is designed to be a simple, accurate diagnostic tool that medical professionals can use with patients demonstrating symptoms of lung cancer, those most at risk of developing lung cancer, and those in remission from lung cancer.

Currently, diagnostic methods used for the detection of lung-related diseases involve costly blood tests, radiologic exams or invasive surgical procedures. Whilst ABI does not presume *Breath PulmoHealth "Check"*[®] to be a replacement for such tests in all markets, the Company does however have ambitions for the device to become an effective, primary screening tool.

The Company's development efforts with the *Breath PulmoHealth "Check"*[®] are on track, and the Company expects to begin early clinical work in several major healthcare institutions in Q1, 2010.

BreathScan*[®] *PRO

The *BreathScan*[®] *PRO* alcohol detection system is a *BreathScan*[®] product line extension that incorporates an enhanced, disposable *BreathScan*[®] device, and a digital analyser called the *BreathScanner*[™]. The test subject exhales into the *BreathScan*[®] *PRO* detector, the testing coordinator inserts it into the *BreathScanner*[™], and using sophisticated optics, the analyser

provides quantitative results of breath alcohol levels, ranging from 0.00 per cent to 1.50 per cent and above. The *BreathScan*[®] *PRO* provides accurate results in minutes, under field conditions, and is intended for use in probable cause situations by law enforcement, schools, and transportation industries.

Product development is complete, and the Company expects to finish clinical trials in early Q4 2009. Introduction of the *BreathScan*[®] *PRO* System is scheduled for late Q4 2009. We are actively seeking and holding meetings internationally with law enforcement agencies and companies who distribute to that market with a view to replacing the existing roadside alcohol tests which are both more expensive and more complex than the *BreathScan*[®] *PRO*.

Looking ahead

In the remainder of the current year, ABI will be focused on supporting ongoing initiatives with the *BreathScan*[®] POV Safety Program. The ongoing demand for the *BreathScan*[®] *Safety Units* and detector refills is a good indication that the POV Safety Program is working and very much in use. The Company will also continue to expand its domestic and international distribution network for the *BreathScan*[®] product line, and further its efforts to attain the necessary regulatory clearance for the *Tri-Cholesterol "Check"*[®] test to be sold over-the-counter in the USA. In addition, meetings with and presentations to potential distributors for *BreathScan*[®] *PRO*, *Breath Ketone "Check"*[®] and *Breath PulmoHealth "Check"*[®] are a major priority as are our constant efforts to break into new markets for *PIFA*[®] *Heparin/PF4 Rapid Assay* and accelerate momentum in the major markets in which the test has already been placed. ABI continues to be a well-funded, debt-free business with products in market generating increasingly profitable sales and with very exciting tests in the pipeline.

Thomas A. Nicolette
President and Chief Executive Officer
30 September 2009

Income Statement

	Six Months ended 30-Jun-09 \$	Six Months ended 30-Jun-08 \$
Revenues		
Product	1,176,658	2,699,779
License		733,350
Total Revenue	1,176,658	3,433,129
Cost of sales	(229,096)	(1,074,334)
Depreciation expense	(16,487)	(54,000)
	<hr/>	<hr/>
Gross profit	931,075	2,304,795
Interest Income	7,328	10,464
Administrative expenses	(824,871)	(834,072)
Research and Development expenses	(191,041)	(132,347)
Noncash share based compensation	(447,172)	(453,834)
Depreciation and amortization of non-current assets	(210,345)	(178,036)
	<hr/>	<hr/>
Income/(loss) from operations	(735,026)	716,970
Currency translation income (expense)	399,440	(1,234)
Interest Expense	-	(464,728)
	<hr/>	<hr/>
Income/(loss) before income taxes	(335,586)	251,008
Income taxes	-	-
Net Income/(loss) for the period	<hr/>	<hr/>
	(335,586)	251,008
Basic and diluted Income/(loss) per share-note 6	-	-
Weighted average basic & diluted common shares outstanding	113,018,607	74,002,981

Balance Sheet

	30-Jun-09	31-Dec-08
	\$	\$
ASSETS		
Non-current assets		
Property, plant and equipment	369,063	336,013
Intangible assets, net	2,780,093	2,739,943
Long term Receivables, net of current portion	2,175,000	1,250,000
Other assets	12,632	12,632
Total non-current assets	<u>5,336,788</u>	<u>4,338,588</u>
Current assets		
Inventories	808,163	409,085
Trade and other receivables	967,435	2,120,397
Cash and cash equivalents	3,980,585	4,311,384
Other assets	94,592	94,812
Total current assets	<u>5,850,775</u>	<u>6,935,678</u>
Total assets	<u><u>11,187,563</u></u>	<u><u>11,274,266</u></u>
	30-Jun-08	31-Dec-08
	\$	\$
EQUITY		
Share capital	78,268,667	77,799,990
Accumulated deficit	(67,857,311)	(67,521,725)
Total equity	<u>10,411,356</u>	<u>10,278,265</u>
LIABILITIES		
Non-current liabilities		
Borrowings	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>
Current liabilities		
Trade and other payables	686,207	906,001
Borrowings	90,000	90,000
Total current liabilities	<u>776,207</u>	<u>996,001</u>
Total liabilities	<u>776,207</u>	<u>996,001</u>
Total equity and liabilities	<u><u>11,187,563</u></u>	<u><u>11,274,266</u></u>

Changes in equity

	\$ Share capital	\$ Capital reserves	\$ Accumulate d deficit	\$ Total equity
Balance at 31 December 2007	66,543,545		(66,986,923)	(443,378)
<u>Changes in equity (deficit) for six months ended 30 June 2007</u>				
Income for the period			251,008	251,008
Total recognised income and expense for the period	66,543,545	-	(66,735,915)	(192,370)
Recognition of share based payments	330,147			330,147
Issuance of shares for conversion of debt and interest	4,869,951			4,869,951
Sale of ordinary shares	4,566,710			4,566,710
Exercise of warrants and stock options	31,861			31,861
Balance at 30 June 2008	76,342,214	-	(66,735,915)	9,606,299
Balance at 31 December 2008	77,799,990		(67,521,725)	10,278,265
<u>Changes in equity (deficit) for six months ended 30 June 2008</u>				
Loss for the period			(335,586)	(335,586)
Total recognised income and expense for the period	77,799,990	-	(67,857,311)	9,942,679
Recognition of share based payments	447,172			447,172
Exercise of warrants and stock options	21,505			21,505
Balance at 30 June 2009	78,268,667	-	(67,857,311)	10,411,356

Cash flow statement

	Six Months Ended 30-Jun-09	Six Months Ended 30-Jun-08
	\$	\$
Cash flows from operating activities		
Income (Loss) for the period	(335,586)	251,008
Adjustments for:		
Interest expense recognised in statement of operations	-	464,728
Noncash share based compensation	447,172	453,834
Depreciation and amortization of non-current assets	226,832	232,036
	<u>338,418</u>	<u>1,401,606</u>
Movements in working capital		
(Increase)/decrease in trade and other receivables	227,962	(648,829)
(Increase)/decrease in inventories	(399,078)	248,171
(Increase)/decrease in other assets	220	(20,584)
Increase in deferred revenue	-	25,000
Increase/(decrease) in trade and other payables	(219,795)	(332,995)
	<u>(390,691)</u>	<u>(729,237)</u>
Interest paid	-	(47,366)
	<u>-</u>	<u>(47,366)</u>
Net cash provided by (used in) operating activities	<u>(52,273)</u>	<u>625,003</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(70,031)	(125,298)
Capitalised development costs	(230,000)	(285,000)
	<u>(300,031)</u>	<u>(410,298)</u>
Net cash used in investing activities	<u>(300,031)</u>	<u>(410,298)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	21,505	4,598,570
Repayments of borrowings	-	(1,004,552)
Repayments of obligations under finance leases	-	(2,796)
	<u>21,505</u>	<u>3,591,222</u>
Net cash from financing activities	<u>21,505</u>	<u>3,591,222</u>
Net increase/(decrease) in cash and cash equivalents	(330,799)	3,805,927
Cash and cash equivalents at beginning of period	4,311,384	1,306,706
Cash and cash equivalents at end of period	<u>3,980,585</u>	<u>5,112,633</u>
Supplemental Disclosure of Cash Flow Information:		
Non-cash investing and financing activities:		
Conversion of debt and accrued interest payable into common stock	<u>\$ -</u>	<u>\$ 4,869,951</u>
Recognition of share based payments	<u>\$ 447,172</u>	<u>\$ 330,147</u>

Notes

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance and compliance with all the requirements of International Financial Reporting Standards (IFRS 34). In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the interim six month period ended 30 June 2009 are not necessarily indicative of results that may be expected for the year ending 31 December 2009. For further information, refer to the Company's audited financial reports for the year ended 31 December 2008.

2. Accounting Policies and Methods of Computation

The same accounting policies and methods of computation have been followed in the reporting of these interim financial statements as compared to those reported in the 2008 annual report of operations.

Please refer to notes 1 through 5 of the 2008 Annual Report of Operations for these details.

3. Property Plant and Equipment

During the first six months of 2009 the company invested \$66,618(2008:\$64,929) in new Machinery & Equipment, Molds, Dies and Computer Equipment. The Company also invested an additional \$3,413(2008:\$60,369) in Leasehold Improvements, Furniture and Fixtures.

4. Loans and Borrowings

Subsequent to the reporting period of these financial statements, the Company settled the outstanding unsecured debt of \$90,000 by transferring equipment to the debtor. The book value of this equipment was nil.

5. Capital

During the first six months of 2009, investment by the President and CEO of the company, through the exercising of warrants, resulted in the issuance of 2,150,538 shares for \$21,505.

6. Earnings per share

Basic earnings per share have been calculated by dividing the loss for the current six month period of \$335,586 (2008: \$251,008 income) by the weighted average number of shares in issue during the current six month period of 113,018,607 (2008: 74,002,981).

* "First Check" is a trademark of Inverness Medical Innovations, Inc.