

AKERS BIOSCIENCES, INC.
Interim results for the half year ended 30 June, 2004

Akers Biosciences, Inc. ("Akers Biosciences", "Akers" or the "Company"), a leading designer and manufacturer of rapid diagnostic screening and testing products, announces its interim results for the half year ended 30 June, 2004.

Highlights

- FDA approval for the Company's rapid test for heparin platelet factor-4 antibodies, important in the management of cardiac patients, was received.
- The Company has started to build an internal sales and marketing organization to manage the launch of its own brands of products into the marketplace, initially through its tests for heparin platelet factor-4 and Lithium.
- A new strategic alliance in the nutritional field was formed with Soft Gel Technologies, Inc., (Los Angeles, CA), a significant manufacturer and marketer of a broad line of nutraceuticals.
- Development of the BioSniffer technology platform was completed, with initial deployment planned for the continuous monitoring of airborne biowarfare agents.
- A strategic alliance was announced with Kuchera Defense Systems to market the BioSniffer into the US military.
- Approximately £847,000 sterling was raised through a placing of shares to be used for the launch of the heparin platelet factor-4 product.
- Appointment of Robert W. Baird Limited as nominated advisor and stockbroker has been effected.

Ray Akers, Chief Executive Officer of Akers Biosciences, said: "We have gained serious momentum with the receipt of product approvals and the establishment of significant distribution and business relationships, and are now on the road toward the rapid sales growth of our company. We have recently announced the signing of agreements with Helena Laboratories Corp. and Cardinal Health PTS, LLC. Each of these agreements provides the Company with entrée into essential markets with good revenue potential. Sales of our rapid heparin platelet factor – 4 antibody test and Lithium Check System will be accelerated because of these very valuable relationships, which could only have been secured as a result of the confidence that each of these companies have exhibited in the marketability of our products. We are also optimistic that by creating our own branding in the hospital and clinical laboratory market, the Company's overall visibility will be significantly enhanced."

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INTERIM RESULTS STATEMENT

Introduction

These are the interim set of results for Akers Biosciences, Inc. for the half year ended 30 June, 2004. The Company's sales increased 87% over the same period in 2003 as more of the Company's signature products were introduced into the marketplace.

Akers Biosciences' diagnostic and testing products are designed to bring laboratory-quality healthcare information both rapidly and directly to the doctor or the patient in the clinic or in the field without the need for expensive laboratory equipment. Our strategy is to become a market leader in rapid testing using our proprietary technologies to generate products with clear competitive advantages in targeted markets. These products are intended for professional, consumer, and military markets in both the developed and developing world, and are brought to market through strategic partnerships with established distribution organisations.

Results

Revenues for the half year ended 30 June 2004 were \$855,417, compared with \$458,800 during the same period in 2003. The loss before tax was \$1,775,769 (2003: \$1,512,894). These revenues reflect initial sales into a small customer base, but with significant growth potential.

Business Review

All of the Company's proprietary technologies provide the platform for high margin niche products intended for use in specialized market segments. In addition to its ongoing efforts with its strategic partners, the Company has also begun to build its own brands, based on its signature rapid testing products for heparin platelet factor-4 antibodies, lithium, cholesterol, and white blood cells. The Company continues to focus on four market segments: biotech/pharmaceutical, OTC and doctor's surgeries, government/military, and the developing world.

The Company continues to believe that the biotech/pharmaceutical sector holds great potential to build a core and sustainable business. The Company's first entry into this market is its FDA approved Lithium test, for which the Company has already realized sales. In fact, additional sales of this product could have been realized in this period were it not for delays experienced with electronic components manufactured by subcontractors during the production ramp-up phase. The factors causing these delays have been remedied, and production has now resumed at expected levels. In addition, the Company has opened up a new market sector for this product by introducing its own "Lithium Check" brand to the hospital and clinical laboratory market.

The Company still aims to have its white blood cell tests for the side effects of the neuropsychiatric drug clozaril on the market in the second half of 2004. In addition, the Company intends to market its own brand of this product to oncologists, hospitals and clinical laboratories. Both the lithium and white blood cell products do not currently have any rapid test competition.

The rapid heparin platelet factor-4 antibody (HPF-4) has received FDA approval, and the Company intends to launch this product in the third quarter of this year. This is the first rapid test for HPF-4 antibodies, and the product is protected by two of the Company's patents, as well as with additional patents pending. The Company and its partner The Medicines Company will promote the use of this test as an initial decision point in the course of cardiology and emergency medicine where anti-thrombolytic treatment is indicated. Cardinal Health and Helena Laboratories will distribute the product to hospitals and clinical laboratories. The Medicines Company's drug Angiomax is indicated for certain patients undergoing anti-thrombolytic therapy. The availability of this test could have a significant impact on interventional cardiology as it relates to the management of anti-coagulant therapies. The Company is negotiating additional distribution contracts to ensure the product will be available to all potential users.

In OTC, Vitarich Laboratories has been successful in introducing certain products into certain segments of the nutritional industry. Market research and testing revealed a need to modify the blood collection procedure

portion of the test. This was subsequently modified, and re-tested with consumers with a positive outcome. The initial product line of total, HDL, and LDL blood cholesterol tests and glucose have been expanded to include free radicals, which indicate anti-oxidant activity, and menopause onset. The line is in the process of further expansion, and will include eight different products, the remainder of which are in various stages of development or commercialization, with sales expected to begin in the fourth quarter of 2004.

In addition, the Company has formed a second alliance in this industry with Soft-Gel Technologies, Inc. ("SGTI", Los Angeles, CA), a significant manufacturer and marketer of a broad line of nutraceuticals, including lipid and cholesterol-lowering supplements. As a result of this new alliance, the Company is planning the introduction of a consumer package containing SGTI's cholesterol-lowering supplement combined with its Tri-Cholesterol rapid assay to mass retail, multi-level marketing organization, infomercial and catalog markets later this year.

The Company has yet to realize any income from its arrangement with Colebrand, Ltd., its partner for certain rapid diagnostic tests in certain international markets, but still expects to ship orders to Colebrand in the coming months.

In the government/military sector, our alliance with Battelle has led to two initial contracts for the supply of products to support biowarfare agent detection systems. The government testing and approvals process necessary before shipment is cleared is progressing satisfactorily. These initial contracts may lead to renewable annual contracts that can expand in volume. The Company is developing additional tests for both civilian and military biowarfare agent detection, and several pilot programs are providing a near term opportunity.

In addition, the Company is continuing to pursue both land and marine-based sales of its alcohol breathalyzers. Quest Diagnostics Inc. (www.questdiagnostics.com) has begun to distribute this product through its US-nationwide network, and is expected to contribute to a significant increase in the sales of these products.

Financial Review

For the six months ended 30 June 2004, the loss was \$1,775,769 (\$.04 per share) compared to \$1,512,894 (\$.04 per share) in the similar period of the preceding year.

Research and development expenses were increased when compared to the level of the same period of the prior year (\$451,212 for 2004 vs. \$326,526 for 2003). The most significant objective of the Company's Research and Development department is coordination and follow-up with the FDA while several tests undergo the approval process.

Sales and general administrative expenses increased slightly during the current period to \$1,260,397 from \$1,044,781 in the similar period of the preceding year. This increase reflects for the most part an increased level of sales and marketing activity to support our product launch plans.

Funding

On June 24, the Company announced a placing of shares that raised £847,000 sterling, before expenses. The funds raised from this placing have been used in the market introduction of the Company's recently FDA-approved test for heparin platelet factor-4 antibodies, and includes expenses related to the establishment of a small sales force, advertising and promotion, production start-up, inventory, and working capital.

The Company has completed its registration documents which will enable the Company to register its shares with the US Securities and Exchange Commission. However, the filing of these documents will take place once the Company considers U.S. market conditions favorable.

After the new issuance and the transactions described above, the Company has 46,469,468 Common Shares in issue.

Product Development

The Company now offers six different proprietary platform technologies, and has developed products based on these technologies.

During the current period, the Company developed the BioSniffer technology, which is designed to continuously monitor airborne bacterial, viral, and fungal agents. The initial application of this technology is a system that provides real-time information on the probable cause of an atmospheric release of biowarfare agents. Each system is designed to provide visual, auditory and electronic warning signals to indicate that bioagent release event has occurred.

The BioSniffer system consists of two components: a portable electronic sniffing and detection device; and a disposable reaction cartridge containing liquid reagents that react in the presence of certain bioagents. Reaction cartridges are currently available for continuous monitoring of Bacillus anthracis (anthrax). Additional reagents are under development for other specific biowarfare agents. Kuchera Defense Systems has been chosen to market the BioSniffer to certain branches of the US military.

Current Trading and Outlook

The Company has successfully obtained significant FDA approvals for its products, has solved production expansion issues, and is generating revenue from these products. The launch of the HPF-4 product in the second half of this financial year coupled with the significant step of building the Company's own brands through its own organization is expected to accelerate this process. In addition, the Company has obtained broad distribution into the hospital and clinical laboratory markets, which will provide clear channels and access to customers, as well as favorably impact revenues. These advances, combined with the efforts of its strategic partners, indicate a positive outlook for future sales growth and expansion in the current financial year and beyond.

David Wilbraham
Chairman

Raymond Akers
Chief Executive Officer

APPENDIX

Products and Technologies

The Company offers six different proprietary platform technologies, and has developed products based on these technologies.

MinDNA technology allows for the analysis of DNA in one minute, and has been applied in the development of the rapid white blood cell count and absolute neutrophil count assays that monitor a side effect of the Novartis drug clozaril (clozapine). The sales and marketing rights for these products are subject to a contractual arrangement with ReliaLAB, and are expected to be introduced in the second half of 2003. Other applications of *MinDNA* technology can result in tests necessary for the safety of the blood supply, specific identification of parasitic infections, and biowarfare agent detection. *MinDNA*-based assays can be produced in both rapid manual or electronic reader versions.

Synthetic Macrocyclic Complex technology is associated with the development of novel macrocyclic organic compounds that determine quantitative levels of therapeutic drugs, such as lithium blood levels, through the use of electronic readers. These hand-held readers and their associated proprietary reagents unlock new potential in both professional and consumer markets, particularly in therapeutic drug monitoring.

The Rapid Enzymatic Metabolite technology platform focuses on the detection of blood and urine metabolites through enzymatic chemistries in quantitative or semi-quantitative formats. These products are primarily intended for pharmaceutical or nutritional markets, and include tests such as total and HDL cholesterol, glucose, cortisol and testosterone.

Particle ImmunoFiltration Assay (PIFA) technology has been developed for an extensive range of rapid testing products, including heparin platelet factor-4 antibodies, HIV, sexually-transmitted diseases, malaria, prostate cancer, blood typing, and other non-infectious agents. These robust products produce results in minutes comparable to laboratory-based assays.

MicroParticle Catalyzed Biosensor (MPC Biosensor)-based products include the alcohol breathalyzer, which is the only portable breathalyzer approved by the US Department of Transportation.

The BioSniffer technology is designed to continuously monitor airborne bacterial, viral, and fungal agents. The initial application of this technology is a system that provides real-time information on the probable cause of an atmospheric release of biowarfare agents. Each system is designed to provide visual, auditory and electronic warning signals to indicate that bioagent release event has occurred. Tests are currently available for continuous monitoring of *Bacillus anthracis* (anthrax). Additional reagents are under development for other specific biowarfare agents.

Akers Biosciences Inc.
Interim Financial Statements

1. Consolidated Balance Sheets as at 30 June 2004 and 2003 (unaudited)

	2004	2003
	\$	\$
Current Assets		
Cash in banks	1,070,921	36,472
Accounts receivable, net	927,822	324,074
Inventories, at lower of cost or market	415,560	225,252
Prepays and other current assets	89,982	35,179
Total current assets	2,504,285	620,977
Property and equipment, at cost	1,243,163	1,223,911
Less : depreciation taken to date	998,055	924,944
Property and equipment, net	245,108	298,967
Other assets		
Patent costs	125,086	145,121
Intangible assets, net	6,271	9,890
Deposits and other assets	12,633	36,887
Total other assets	143,990	191,898
Total assets	2,893,383	1,111,842
Current liabilities		
Accounts payable and accrued expenses	1,562,530	1,627,193
Notes payable – bank	535,000	500,000
Notes payable	652,174	-
Other current liabilities	196,239	674,639
Current portion of long-term debt	409,986	955,093
Total current liabilities	3,355,929	3,756,925
Long -term debt, net of current maturities		
Long term obligations	517,478	538,126
Total long term debt	517,478	538,126
Equity (deficit)		
Common stock	47,536,275	42,178,577
Accumulated deficit	(48,516,299)	(45,361,786)
Total stockholders' equity (deficit)	(980,024)	(3,183,209)
Total liabilities and stockholders' equity	2,893,383	1,111,842

2. Consolidated Statements of Operations for six months ended 30 June 2004 and 2003 (unaudited)

	2004	2003
	\$	\$
Revenues	855,417	458,800
Cost of Production	<u>785,499</u>	<u>532,258</u>
Gross Profit (Loss)	<u>69,918</u>	(73,458)
Sales and General and Administrative Expenses	1,260,397	1,044,781
Research and Development Expenses	<u>451,212</u>	<u>326,526</u>
Total Operating Expenses	<u>1,711,609</u>	<u>1,371,307</u>
(Loss) From Operations	<u>(1,641,691)</u>	<u>(1,444,765)</u>
Other Income (Expense)		
Interest Income	22	11
Currency Translation Income(Expense)	(2,385)	1,639
Extraordinary Income	-	4,253
Interest Expense	<u>(131,715)</u>	<u>(74,032)</u>
Total Other Income (Expense)	<u>(134,078)</u>	<u>(68,129)</u>
Net (Loss)	<u>(1,775,769)</u>	<u>(1,512,894)</u>
Net (Loss) per share	<u>(0.04)</u>	<u>(0.04)</u>

**3. Consolidated Statements of Stockholders' Deficit from 31 December 2002 to 30 June 2003
and 31 December 2003 to 30 June 2004 (unaudited)**

	Preferred Stock		Common Stock		Accumulated Deficit	Total
	Shares	Amount	Shares	Amount		
		\$		\$	\$	\$
Balance 31 December 2002	-	-	39,618,395	42,178,577	(43,848,892)	(1,670,315)
Net loss for the period ended 30 June 2003	-	-	-	-	(1,512,894)	(1,512,894)
Balance, 30 June 2003 (unaudited)	-	-	39,618,395	42,178,577	(45,361,786)	(3,183,209)

	Preferred Stock		Common Stock		Accumulated Deficit	Total
	Shares	Amount	Shares	Amount		
		\$		\$	\$	\$
Balance 31 December 2003	-	-	42,674,564	44,353,221	(46,740,530)	(2,387,309)
Issuance of stock for cash	-	-	2,020,439	2,637,335	-	2,637,335
Warrant issued in exchange for trade payables	-	-	-	75,000	-	75,000
Issuance of stock in exchange of debt	-	-	1,455,000	463,419	-	463,419
Issuance of stock for products and services	-	-	5,000	7,300	-	7,300
Net loss for the period ended 30 June 2004	-	-	-	-	(1,775,769)	(1,775,769)
Balance, 30 June 2004 (unaudited)	-	-	46,155,003	47,536,275	(48,516,299)	(980,024)

4. Consolidated Statement of Cash Flows) for the Six months ended 30 June (unaudited)

	30 June	2003
	2004	
	\$	\$
Operating Activities		
Net loss	(1,775,769)	(1,512,894)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation and amortization	52,156	66,000
Amortization of deferred finance costs	1,448	-
Stock, Stock options and warrants issued to employees and non-employees	7,300	-
Provision for bad debts	200,000	-
(Increase) decrease in changes in operating assets and liabilities:		
....Accounts receivable	(645,973)	(53,884)
....Inventories	34,881	(24,490)
....Prepays and other current assets	(18,591)	100,446
....Deposits and other assets	(1,866)	(26,120)
Increase (decrease) in		
....Accounts payable and accrued expenses	(16,627)	617,433
....Other current liabilities	-	282,772
Net cash used in operating activities	(2,163,041)	(550,737)
Investing activities		
Purchase of property and equipment	(19,251)	1,950
Net cash used in investing activities	(19,251)	1,950
Financing Activities		
Proceeds from issuance of stock, net	2,637,335	-
Proceeds from borrowings	170,000	791,500
Repayments on borrowings	(147,516)	(208,199)
Net cash provided by financing activities	2,659,819	583,301
Increase (decrease) in cash	477,527	34,514
Cash as at beginning of year	593,394	1,958
Cash as at 30 June	1,070,921	36,472

Supplemental disclosures of Cash Flow information:

2004	2003
\$	\$

Non-cash investing and financing activities are as follows:

Conversion of debt and accrued interest payable to common stock	<u>463,419</u>	<u>-</u>
Common stock and warrants issued in connection with debt	<u>75,000</u>	<u>-</u>
Cash paid during the period for interest	<u>41,515</u>	<u>65,061</u>

5. Notes to Interim Financial Statements

5.1 Summary of significant accounting policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. 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 2004 are not necessarily indicative of results that may be expected for the year ending 31 December 2004. For further information, refer to the Company's audited financial reports for the year ended 31 December 2003. The statements previously presented for 2003 had been presented on a development stage enterprise basis. Balance sheet presentation for 2003 has been restated for comparative purposes.

Principles of consolidation

The interim financial statements include the accounts of the Company. All significant intercompany balances and transactions are eliminated. The wholly-owned subsidiaries have been inactive since December 31, 1998 and have no assets or liabilities.

Use of estimates

The preparation of these financial statements requires the use of certain estimates by management in determining the Company's consolidated assets, liabilities, revenues and expenses. Actual results may vary from those estimates.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments that are readily convertible into cash and have a maturity of three months or less.

Revenue recognition

The company recognizes sales at the time goods are shipped.

Inventories

Inventories are stated at the lower of cost (first in, first out) or market, and primarily consist of raw materials used for research and development, and manufacturing.

Property and equipment

Property and equipment are stated at cost. Depreciation and amortization are allocated over the estimated useful lives of the respective assets using straight-line and accelerated methods. Upon sale or retirement of assets, the related costs and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in operations. Expenditures for repairs and maintenance that do not increase the useful lives of the assets are charged to operations as incurred.

Research and development costs

Research and development costs are charged to operations when incurred.

Extraordinary income

There was no extraordinary income during the six month period ended June 30, 2004.

Earnings per share

Basic earnings per share have been calculated by dividing the loss for the current six month period of \$1,775,769 (2003: \$1,512,894 loss) by the weighted average number of shares in issue during the current six month period of 44,538,687 (2003: 39,618,395).