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Akers Biosciences, Inc.

("ABI" or the "Company")

Interim results for the half year ended 30 June 2008

Akers Biosciences, Inc., a leading designer and manufacturer of rapid diagnostic screening and testing products, is pleased to announce its interim results for the half year ended 30 June 2008, demonstrating that the Company has delivered its first net profit since incorporation and is on course to meet market expectations for the full year.

Highlights

- Revenues of \$3,433,129 represent a 61% increase over revenues in the same period last year (H1 2007: \$2,127,537)
- ABI produced EBITDA of \$1.4 million
- First net profit in Company history: \$251,008 (H1 2007: loss of \$807,409)
- Company is long-term debt free; current assets in cash and cash equivalents totaled \$5,112,633, an almost 400% increase from the same period in the prior year (H1 2007: \$1,306,706)
- The Company's equity position increased by \$12,730,441 in the prior 12 months with \$10,049,677 being realized in the half year ended 30 June 2008
- Gross margins have increased to 67% (H1 2007: 51%)
- Inventory has been reduced by 36%
- Fixed costs have been reduced by a further 15% from H1 2007

Thomas A. Nicolette, President and CEO, commented,

"Since the equivalent period one year ago, ABI has been transformed from a negative net worth of \$3.1m to a positive net worth of \$9.6m, a \$12.7m turnaround. The business is profitable from operations and generating positive cash flow. Our products have high volume potential in established markets, and the Company has a rich development pipeline of diagnostic tests with blockbuster potential.

We look forward with excitement and optimism to accelerating our sales in existing markets and breaking into new territories worldwide with blue-chip distribution partners."

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STATEMENT by Chairman and Chief Executive Officer

Introduction

We are pleased to report interim results for the six months ended 30 June 2008 for ABI for a period in which sales increased significantly over the same period in 2007.

Results

Revenues for the half year ended 30 June 2008 were \$3,433,129, compared with \$2,127,537 during the same period in 2007. The Company achieved EBITDA of \$1,400,000 and a net profit of \$251,008. This is the first period in its history that the Company has reported a net profit.

The revenues continue to be dominated by sales of alcohol breathalyzer units and the PIFA[®] Heparin/Platelet Factor 4 Rapid Assay (PIFA[®] HPF4) device which continues to gain traction in the USA.

The combined effect of profitable trading and investment of £2.275 million in June 2008 from Saltburn Limited, a consortium of private investors, have generated a cash balance of \$5,112,633 as at 30 June 2008, compared to \$1,306,706 at the half year in 2007. As such, ABI's total assets increased by 62% to \$11.5 million (H1 2007:\$7.1 million). The Company has repaid all borrowings and is now debt free.

Further streamlining of fixed overheads has led to another reduction of 15% in costs from H1 2007. The benefits of which, combined with the economics of higher volume manufacturing, have improved gross margins from 51% in the first half of 2007 to 67%. Research and development expenses have been cut in half reflecting ABI's new model of pursuing predominantly funded development programmes.

Management has reduced the volume of inventory held by the Company by approximately 36% compared to the same period in 2007, thereby producing an inventory turn ratio of 7 for the first half of 2008.

Share Issues

In June 2008, Brittany Capital, a US hedge fund, which had supported the Company's development through a series of convertible loans, opted to convert its full outstanding loan and accrued interest into 22,768,824 common shares of nil par value.

At the same time, 17,500,000 common shares of nil par value were issued to Saltburn Limited, in return for new investment in ABI of £2.275 million.

Certain Directors opted to receive remuneration in the form of shares during the period totaling 50,623 common shares of nil par value, whilst Directors and senior management

made purchases of stock, either by converting warrants and options, or through the Direct Purchase Plan, resulting in the issue of 2,736,002 common shares of nil par value.

Also, 1,171,060 common shares were issued in the period in consideration of a Promissory Note.

Business and Product Development Review

During the first half of 2008, ABI continued to focus on:

- broadening the usage of the Company's custom designed **BreathScan®** key chain units and detector refills within the United States Military's Personally Owned Vehicle (POV) safety program. Additional relationships with organisations that have ties with colleges and universities in the United States have been forged in an effort to further expand ABI's alcohol safety program in new markets;
- the market share expansion of the **PIFA® Heparin/PF4 Rapid Assay**, the only US FDA approved rapid, manual device that screens for the detection of a potentially life-threatening "allergy" to the widely prescribed blood thinner, Heparin. In Q2 2008, ABI successfully released the 2nd generation of the assay which incorporates a number of user benefits including enhanced readability and an even quicker time-to-result. ABI continued to support the selling efforts of its established distribution partners, the Specialty Products division of Cardinal Health and Corgenix Medical Corporation, to increase product adoption in the hospital marketplace. In addition, on 26 June 2008, ABI announced the initiation of a new distribution arrangement with Trinity Biotech plc commencing on 1 July 2008. This alliance further strengthens ABI's representation in the US and opens the door to the German clinical laboratory marketplace, thus highlighting the increasing worldwide medical importance of the test;
- the funded development of a Free Radical breath condensate test (the **Free Radical Enzymatic Device** or "**FReD™**") to be used in conjunction with nutraceutical therapy. Free radicals are naturally occurring substances that are implicated in numerous disease processes, including cancer, cardiovascular disease, and arthritis. This test, which incorporates ABI's MPC Biosensor Technology with an electronic reader, is designed to monitor the efficacy and dosing requirements of anti-oxidant nutraceuticals which are said to help combat the damaging effects of free radicals;
- the development of several high priority rapid assays related to the US Military and government-driven Public Health initiatives. The rapid and accurate testing of donor and recipient blood for typing compatibility is essential for the prevention of hemolytic transfusion reactions, especially in critical scenarios such as combat casualty care. ABI continues to develop several versions of the **Battlefield Blood Transfusion Card** for Military use. In addition, Highly Pathogenic Infectious Agents (HPIA) such as the Avian Flu pose a significant risk to any healthcare system. There is an urgent need to develop a rapid, screening test to detect highly pathogenic infections **anywhere, at any time** to help ensure the containment of the disease and facilitate immediate medical treatment of those infected. The Company has initiated discussions with US government entities to apply its Particle ImmunoFiltration Assay (PIFA®) technology to the development of a Point of Care HPIA rapid test using easy to acquire nasal and finger stick specimens.

On 14 July 2008, ABI announced a licensing agreement with ReliaLAB, a point-of-care diagnostic systems specialist based in New York City, USA, to license the Company's Lithium "Check" System. ReliaLAB have agreed to pay ABI \$512,000 to obtain and maintain, in perpetuity, the rights to use the Lithium "Check" System CLIA-Waived product and certain inventory developed by ABI. The Company also announced that it is in advanced negotiations with ReliaLAB, Inc. to enter into a supply agreement to produce the Lithium "Check" System CLIA-Waived product for them representing a potential additional, future revenue stream.

Current Trading and Outlook

The Company has achieved significant milestones in the first half of 2008 demonstrating ABI's commitment to becoming a streamlined corporate entity that delivers measurable financial results. The strength of ABI's equity position, the elimination of all debt and the recognition of the first net profit from operations in the Company's history is a testament to the effectiveness of ABI's 2008 business plan. ABI is committed to continuing the strong momentum established in H1 2008 to increase revenues and shareholder value throughout 2008 and beyond.

David Wilbraham, Chairman

Thomas A. Nicolette, President and Chief Executive Officer

8 September 2008

Income Statement

	Six Months ended 30-Jun-08 \$	Six Months ended 30-Jun-07 \$
Revenue	3,433,129	2,127,537
Cost of sales	<u>(1,128,334)</u>	<u>(1,048,626)</u>
Gross profit (loss)	2,304,795	1,078,911
Administrative expenses	1,465,942	1,614,239
Research and Development expenses	<u>132,347</u>	<u>272,081</u>
	1,598,289	1,886,320

Income/(loss) from operations	<u>706,506</u>	<u>(807,409)</u>
Currency translation (expense)	(1,234)	(281)
Interest Income	10,464	0
Interest Expense	(464,728)	(311,653)
Income/(loss) before income taxes	<u>251,008</u>	<u>(1,119,343)</u>
Income taxes	<u>0</u>	<u>0</u>
Net Income/(loss) for the period	<u>251,008</u>	<u>(1,119,343)</u>
Basic and diluted Income/(loss) per share	0.00	-0.02
Weighted average basic & diluted common shares outstanding	74,002,981	60,772,432

Cash Flows from Operating Activities

	Six Months ended 30-Jun-08 \$	Six Months ended 30-Jun-07 \$
Income (Loss) for the period	251,008	(1,119,343)
Interest expense recognised in statement of operations	464,728	311,653
Noncash share based compensation	453,834	247,841
Depreciation and amortization of non-current assets	<u>232,036</u>	<u>78,431</u>
	1,401,606	(481,418)
(Increase)/decrease in trade and other receivables	(648,829)	208,729
(Increase)/decrease in inventories	248,171	458,322
(Increase)/decrease in other assets		

	(20,584)	(224,336)
Increase in deferred revenue	25,000	(36,000)
Increase/(decrease) in trade and other payables	<u>(332,995)</u>	<u>264,619</u>
	(729,237)	671,334
Interest paid	<u>(47,366)</u>	<u>(50,477)</u>
	<u>625,003</u>	<u>139,439</u>
Purchases of property, plant and equipment	(125,298)	(22,540)
Capitalised development costs	(285,000)	
Purchase of intangible assets	-	<u>(1,475,606)</u>
	<u>(410,298)</u>	<u>(1,498,146)</u>
Proceeds from issuance of ordinary shares	4,598,570	8,700
Proceeds from new borrowings	-	1,442,734
Repayments of borrowings	(1,004,552)	(85,540)
Repayments of obligations under finance leases	(2,796)	(6,585)
	<u>3,591,222</u>	<u>1,359,309</u>
Net increase/(decrease) in cash and cash equivalents	3,805,927	602
Cash and cash equivalents at beginning of period	<u>1,306,706</u>	<u>41,142</u>
Cash and cash equivalents at end of period	<u><u>5,112,633</u></u>	<u><u>41,744</u></u>

Non-cash investing and financing activities:

Conversion of debt and accrued interest payable into common stock	\$ <u>4,869,951</u>	\$ <u>104,019</u>
Recognition of share based payments	\$ <u>330,137</u>	\$ <u>247,841</u>
Issuance of stock for acquisition	\$ <u>-</u>	\$ <u>148,365</u>

Balance Sheet

	<u>30-Jun-08</u> \$	<u>31-Dec-07</u> \$
ASSETS		
Non-current assets		
Property, plant and equipment	264,991	210,503
Intangible assets, net	2,886,108	2,404,282
Deferred financing costs	49,978	-
Other assets	24,851	12,633
Total non-current assets	<u>3,225,928</u>	<u>3,035,446</u>
Current assets		
Inventories	449,327	697,498
Trade and other receivables	2,570,896	1,922,067
Cash and cash equivalents	5,112,633	1,306,706
Other assets	102,286	93,920
Total current assets	<u>8,235,142</u>	<u>4,020,191</u>
Total assets	<u>11,461,070</u>	<u>7,055,637</u>
	<u>30-Jun-08</u> \$	<u>31-Dec-07</u> \$
EQUITY (DEFICIT)		
Share capital	76,342,214	66,543,545
Accumulated deficit	(66,735,915)	(66,986,923)
Total equity (deficit)	<u>9,606,299</u>	<u>(443,378)</u>

LIABILITIES

Non-current liabilities

Borrowings	322,260	346,097
Obligations under finance leases	-	-
Total non-current liabilities	<u>322,260</u>	<u>346,097</u>

Current liabilities

Trade and other payables	1,319,685	1,692,160
Borrowings	187,826	5,335,347
Deferred revenue	25,000	-
Accrued interest payable	-	125,411
Total current liabilities	<u>1,532,511</u>	<u>7,152,918</u>
Total liabilities	<u>1,854,771</u>	<u>7,499,015</u>
Total equity and liabilities	<u>11,461,070</u>	<u>7,055,637</u>

Changes in Equity

	\$	\$	\$	\$
	Share capital	Capital reserves	Accumulated deficit	Total equity
Balance at 31 December 2006	62,593,546		(65,262,085)	(2,668,539)
<u>Changes in equity (deficit) for six months ended 30 June 2007</u>				
Loss for the period			(1,119,343)	(1,119,343)
Total recognised income and expense for the period	62,593,546	-	(66,381,428)	(3,787,882)

Recognition of share based payments	247,841		247,841
Issuance of shares for conversion of debt and interest	415,899		415,899
Balance at 30 June 2007	63,257,286	-	(66,381,428)
			(3,124,142)
Balance at 31 December 2007	66,543,545	(66,986,923)	(443,378)
<u>Changes in equity (deficit) for six months ended 30 June 2008</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

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. 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 2008 are not necessarily indicative of results that may be expected for the year ending 31 December 2008. For further information, refer to the Company's audited financial reports for the year ended 31 December 2007.

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 2007 Annual Report of Operations. Please refer to notes 1 through 6 of the 2007 Annual Report of Operations for these details.

3 - Property Plant and Equipment

During the first six months of 2008 the company invested \$64,929 (2007:\$13,492) in new machinery & equipment, molds, dies and computer equipment. The Company also invested an additional \$60,369 (2007:\$0) in leasehold improvements, furniture and fixtures.

4 - Litigation

On 7 January 2008 the Company settled an action brought by CTS Distributing, Inc. The settlement consisted of a cash payment of \$50,000 and the issue of 500,000 common shares of nil par value of the Company. This settlement was provided for in the financial reports for 2007.

5 - Loans and Borrowings

On 14 January 2008 the Company issued 1,171,060 common shares of nil par value to satisfy payment or respect of a promissory note due on 22 November 2007. The outstanding balance of that note was \$175,000.

On 11 June 2008 Brittany Capital Management, Ltd. ("BCM") opted to convert ABI's entire debt and interest accrued, valued at \$4,553,710, into 22,768,824 common shares of nil par value in the Company. During the first six months of 2007 BCM converted \$415,899 of debt and accrued interest into 624,888 common shares of nil par value in the Company.

On 30 June 2008 the Company paid \$985,000 against the secured bank facility satisfying the open balance.

Subsequent to these interim statements, the Company has paid \$377,888 to the SBA satisfying the entire balance and accrued interest due on the long term debt obligation.

6 - Capital

On 14 June 2008 a consortium of private investors, acting through Saltburn Limited, a company incorporated in the Channel Islands, invested \$4,441,710 (£2.275m) into the Company, by way of a subscription for 17,500,000 new common shares of nil par value.

During the first six months of 2008 investment by current and former employees of the Company through the exercising of options and warrants resulted in the issuance of 2,236,052 common shares of nil par value for \$31,860. Edward Mulhare, a member of the Board of Directors, purchased 455,950 common shares of nil par value for \$330,148.

7 - Earnings per share

Basic earnings per share have been calculated by dividing the income for the six months ended 30 June 2008 of \$251,008 (2007: \$1,119,343 loss) by the weighted average number of shares in issue during the six months ended 30 June 2008 of 74,002,981 (2007: 60,772,432).