

**Embargoed: 0700hrs, 27 September 2007**

**AKERS BIOSCIENCES, INC.**  
**Interim results for the half year ended 30 June, 2007**

Akers Biosciences, Inc. (“ABI” 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, 2007;

**Highlights**

- New management has reduced and optimized headcount, reduced fixed expenses, focused sales and marketing along core product lines, bolstered new product development, strengthened technical product support and is directing the streamlined Company to execute its business plan for 2007
- Revenues of \$2,127,537 compared to restated revenues in the same period last year of \$153,463
- Net loss from operations: \$807,409 compared to restated loss in 2006 of \$3,306,395
- \$500,000 contract for the Company’s alcohol safety product received and shipped from the US Special Operations Command setting the stage for further orders from the US Military
- Acquisition of certain assets of ‘Bout Time Marketing, LLC, providing a direct channel to the US Military market for its’ BreathScan<sup>®</sup> alcohol safety product line
- A new distribution agreement signed with Cardinal Health (largest US distributor of healthcare products) places the Company and its products in the top tier of Cardinal’s product and supplier categories, and adds new products to this distribution pipeline
- The Company’s convertible debt has been restructured providing the Company a fixed conversion extending to December 2008
- Second half trading expected to significantly exceed that of first half due to the recent receipt of new contracts totaling \$4.5 million from the US Army and Navy for BreathScan<sup>®</sup>

Thomas A. Nicolette, President and CFO of Akers Biosciences, said:

"We are pleased to report that the difficult task of re-structuring and reducing overheads is completed and new management is continuing to evolve business operations. In the first half of the year, ABI had revenue of \$2.1 million and we expect a strong second half trading due to the receipt of US Military contracts. The successful completion and subsequent integration of our acquisition of ‘Bout Time Marketing in January of this year takes yet another step in our long-term plan to lead the alcohol breathalyzer business and reshape this industry. We are now a direct supplier of BreathScan<sup>®</sup> alcohol safety products to the US Military. We continue to be optimistic about the market penetration of our other core rapid tests for heparin/platelet factor-4 antibodies and Tri-Cholesterol. We expect a positive sales trend for the full year."

**Enquiries:**

Thomas A. Nicolette  
Ben Simons

President and Chief Financial Officer - Akers Biosciences, Inc.  
Hansard Group

+1.856.848.8698  
020 7245 1100

## Statement by Chairman and Management

### Results

Revenues for the half year ended 30 June 2007 were \$2,127,537, compared with a restated \$153,463 during the same period in 2006. As disclosed at the time of our 2006 preliminary results, the comparative 2006 period was restated due to the fact that certain revenues previously recognized in 2006 could not be after the acquisition by the Company of certain assets of 'Bout Time Marketing, LLC ("BTM") The revenues primarily comprise sales of alcohol breathalyzer units to the US Military and commercial distributors, and sales of the Heparin/Platelet Factor-4 antibodies test into a growing hospital customer base.

The loss for the period was \$1,119,343 (\$0.02 per share) compared to a restated \$4,048,105 (\$0.07 per share) in the prior year. However, the loss from operations was \$807,409 compared to \$3,306,395 in the corresponding period of the preceding year, indicating good progress when non-recurring items were eliminated.

Research and development expenses decreased when compared to the level of the same period of the prior year (\$272,081 for 2007 vs. \$416,755 for 2006). The main objectives of the Company's R&D initiatives are the approval process, technical support of core products and the development of new products responding only to market demands.

Sales, general and administrative expenses decreased during the current period to \$1,614,239 from \$1,922,801 in the similar period of the preceding year and will continue to be closely monitored.

### Share Issues

During the first half of 2007, Brittany Capital converted \$415,899 of the Convertible Notes plus accrued interest thereon into 624,888 shares of the Company's common stock. After the new issuance and the transactions described above, the Company has 60,972,466 Common Shares in issue.

### Business Review

New management has reduced and optimized headcount, reduced fixed expenses, focused sales and marketing along core product lines, bolstered new product development, strengthened technical product support and is directing the streamlined Company to execute its business plan for 2007.

All of the Company's proprietary technologies provide the platform for high margin niche products, intended for use in specialized market segments. These market segments include: clinical laboratories, Homeland Security, government, US Military, OTC, industrial and consumer safety, doctor's surgeries, and clinical research.

Revenues in 2007 will be primarily due to the market penetration of the Company's four core product lines, which are detailed below;

#### PIFA<sup>®</sup> Heparin Platelet Factor 4 Rapid Assay

The Company's rapid HPF4 test is sold into the US clinical laboratory market through Cardinal Health and Corgenix Medical Group under the Company's brand "PIFA Heparin/PF-4 Rapid Assay". This is the first rapid test for HPF4 antibodies, and the product is protected by two of the Company's

patents, with additional patents pending. The market response clearly indicates a significant clinical need for the product, and several studies have been presented at scientific meetings indicating that the Company's test may be more accurate than any competitor on the market.


Cardinal Health has signed a new contract with the Company for the distribution of this product. This "evergreen agreement" guarantees that the product will remain in Cardinal's highest focus of products at least through 2008, and that the Company will be in the highest tier of supplier relationships. In addition, the agreement provides a price increase beginning 1 August 2007 and for the distribution of additional products.

As background, heparin is the most widely used intravenous anticoagulant, and is commonly used for the prophylaxis and treatment of thromboembolic disease, as well as numerous other applications including certain types of lung and heart disorders, and during or after a variety of surgeries including open heart, bypass, dialysis and orthopedic procedures. Patients with recent exposure to heparin are at a much greater risk for developing Heparin-Induced Thrombocytopenia ("HIT"), than are those not having previously been given the drug. The Company's test detects the presence of Heparin/PF-4 antibody, which is associated with patients at risk for HIT, and is rapidly becoming a standard of care in hematology and cardiology.

The Company and its partners have initially promoted the use of the test as a replacement for current laboratory tests used in the detection of a heparin "allergy" or other serious thrombolytic reaction resulting from heparin treatment. The Company's product has significant advantages both in terms of cost and time to result. The Company's test takes minutes to perform, while the current laboratory tests take hours to perform on complex instrumentation. HIT can rapidly progress in minutes or hours, and can result in death or dismemberment. The Company's product is the only test available on the market that can provide real-time information that can be useful in formulating a clinical diagnosis. In 2006, over 3.5 million tests were performed using current laboratory tests to confirm a potential "heparin allergy" or HIT, primarily in cardiology and emergency medicine patients.

The Company has started expanding its customer base through new distribution relationships in Europe. In addition, the Company plans to distribute the product to the US physicians' office market through new distributors in 2008.

#### Breath Alcohol and BreathScan<sup>®</sup> Alcohol Breathalyzers

The Company is the only manufacturer of FDA cleared and DOT approved portable, disposable alcohol breathalyzers in the US. The Company is continuing to pursue sales of its Alcohol Breathalyzers through its own Breath Alcohol  and BreathScan<sup>®</sup> brands. These sales are generated through a rapidly expanding distributor network, as well as through direct sales.

In January, 2007 the Company acquired certain assets of BTM, and now owns the Legal Limit product line, and BTM's customer base, which includes the US Military. The Company has already benefited from increased margins and distribution channels, and from the acquisition of a special safety program developed for the US Military. This program was one of the first to address responsible alcohol consumption by soldiers and civilians, and is the subject of several contracts recently awarded to the Company. Moreover, on 19 June, 2007, the US Patent and Trademark Office issued a Notification of Allowance for a patenting certain features of the Legal Limit product, further strengthening this product line.


The total value of contracts received from the US Military to date in 2007 is \$5.0million. The Company believes that a stable, recurring business will be achieved in future years, fueled by these initial contracts which should lead to future orders of refills.

The acquisitions the Company has made in 2006 and 2007 have established the Company as the premier force in portable alcohol breathalyzers in the U.S. These acquisitions also represent initial steps in the Company's strategy to transform the portable alcohol breathalyzer industry. The Company has positioned its breathalyzers as security and safety devices by enhancing the technology through the development of electronic readers. The Company believes that this new product positioning, together with the addition of the Legal Limit products will enhance market penetration and profit margins.

Additional applications of the breathalyzer product line include a program to curb driving under the influence of alcohol used by the Italian government. Also, the Company has introduced its DOT approved breathalyzer product to the transportation and maritime safety industries.

#### TriCholesterol ®

The Tri-Cholesterol Test Kit is the only FDA-approved rapid assay that provides a complete cholesterol profile of the patient, with semi-quantitative determinations of high-density lipoprotein (HDL) cholesterol, low-density lipoprotein (LDL) cholesterol, and total cholesterol levels in whole blood obtained from a finger stick. The Company is currently exploring marketing this product through new distribution channels. The Company plans to re-launch this product with a new distributor in the second half of 2007, and believes that there is significant market potential.

In addition, the Company has further developed this product into a format suitable for doctors' offices, TriCholesterol ®-Pro. The Company is in discussions with several US physicians' office distributors, and plans to introduce the product to this new market in the second half of 2007.

#### Battlefield Blood Transfusion Card

The ABO Blood Group was the first to be identified and is the most significant for transfusion practice. Accurate testing of donor and recipient blood for ABO/D compatibility is essential for the prevention of hemolytic transfusion reactions. To respond to the unpredictable demands of battlefield transfusion support, the U.S. Military may use "the walking blood bank" as its blood supply. This requires on site identification of the donor and recipient blood types. The Battlefield Blood Transfusion Card can accomplish this task using only the card, a drop of blood, and a drop of a rinse reagent.

Following a number of successful clinical trials, the Company has received several small orders from the US Military for this product. The demand for the product is expected to grow significantly since over 40% of blood transfusions in the military theatre of operations are performed under field conditions, and there is currently no other rapid test competition. The Company is in discussions with the US Military to expand the use of the product under field conditions.

### **Product Development**

During the first half of 2007, the Company has focused on 1.) the expansion of its HPF4 product line; 2.) funded development of a free radical test to be used in conjunction with nutraceutical therapy; 3.) the development of several different versions of its Battlefield Blood Transfusion Card for different uses in the US Military and hospital emergency room markets; and 4.) the development of inexpensive electronic readers for Alcohol and Free Radical breath tests.

The Company has developed and received FDA approval for accessory products that will enable new customers to evaluate the HPF4 test more efficiently, and bring the test on-line faster. In addition, the development of two companion products that will allow a more sophisticated interpretation of positive HPF4 test results are expected to be introduced in early 2008.

The Company has also completed the development phase of its test for free radicals, which are naturally occurring substances that are implicated in numerous disease processes, including cancer,

cardiovascular disease, and arthritis. This test is designed to be used to determine the precise course of antioxidant nutraceutical therapy.

The US Military has requested that the Company add certain features to its Battlefield Blood Transfusion Card for certain field uses. In addition, the Military is interested in adding several additional tests to the Card to affect a more comprehensive testing panel. The Company has also found a market in hospital emergency rooms for a version of this Card for the detection of certain blood groups important in complications of pregnancy and birth defects.

The Company has also developed several inexpensive electronic readers designed to provide objective results reporting for its entire line of alcohol breathalyzer products, and the free radical test. These readers coupled with alcohol breathalyzers will be particularly useful in law enforcement, maritime and school markets. The free radical test reader will be used to monitor efficacy and dosing requirements of anti-oxidant nutraceuticals.

## **Financing**

During May 2007, the Company refinanced existing Convertible Notes due to Brittany Capital Management, Ltd. at 31 December 2006, as well as approximately \$1.3 million borrowed during the first five months of 2007 from Brittany. Brittany issued new Convertible Notes which extend the maturity of the 2006 and 2007 Notes until 31 December 2008 and which permit the Company to draw up to an additional \$1,000,000 during the second half of 2007. This facility, supplemented by expected sales of tax losses to the State of New Jersey at equal to or higher levels than during 2006 and a continuation of the higher level of revenue experienced during the first half of 2007, should comfortably provide the funding the Company needs to meet its obligations during the next 12 months.

## **Current Trading and Outlook**

The Company has achieved significant milestones in the market penetration of two of its key products in 2007, most clearly with the receipt of several significant contracts with the US Military. The acquisitions completed in 2006 and early 2007 have already demonstrated the significant revenue that can be achieved in the alcohol breathalyzer business. These acquisitions have made the Company a premier force within the industry, and have put the Company on a positive future revenue track. The Company has also restructured its debt in 2007 to improve financial stability. The US Military contracts already obtained should enable the Company to produce its first operating profit in its history. The Board believes that the strategies in place will lead to increased revenues and shareholder value in future years.

David Wilbraham  
Chairman

Thomas A. Nicolette  
President  
Chief Financial Officer

Dr. Raymond F. Akers  
Chief Executive Officer

27 September 2007

Consolidated Balance Sheets as at 30 June 2007 and 2006(restated) (unaudited)

	2007 \$	2006 \$
<b>Current Assets</b>		
Cash in banks	41,744	251,817
Accounts receivable, net	427,262	2,880,494
Inventories, at lower of cost or market	648,619	1,616,326
Prepays and other current assets	213,607	148,522
<b>Total current assets</b>	<u>1,331,232</u>	<u>4,897,159</u>
<b>Property and equipment, at cost</b>	<u>1,448,796</u>	<u>1,417,137</u>
Less : depreciation taken to date	1,238,293	1,153,148
<b>Property and equipment, net</b>	<u>210,503</u>	<u>263,989</u>
<b>Other assets</b>		
Patent costs	82,803	89,961
Intangible assets, net	2,404,282	578,809
Deposits and other assets	12,632	12,632
<b>Total other assets</b>	<u>2,499,717</u>	<u>681,402</u>
<b>Total assets</b>	<u>4,041,452</u> =====	<u>5,842,550</u> =====
<b>Current liabilities</b>		
Accounts payable and accrued expenses	2,234,547	1,613,152
Notes and loans payable	4,511,816	4,410,659
Current portion of long-term debt	29,964	38,731
<b>Total current liabilities</b>	<u>6,776,327</u>	<u>6,062,542</u>
<b>Long -term debt, net of current maturities</b>	<u>389,267</u>	<u>414,521</u>
<b>Equity (deficit)</b>		
Common stock	63,257,286	59,080,703
Accumulated deficit	(66,381,428)	(59,715,216)
<b>Total stockholders' (deficit)</b>	<u>(3,124,142)</u>	<u>(634,513)</u>
<b>Total liabilities and stockholders' (deficit)</b>	<u>4,041,452</u> =====	<u>5,842,550</u> =====

Consolidated Statements of Operations for six months ended 30 June 2007 and 2006(restated) (unaudited)

	2007 \$	2006 \$
Revenues	2,127,537	153,463
Cost of Production	1,048,626	1,120,302
Gross Profit	<u>1,078,911</u>	<u>(966,839)</u>
Sales and General and Administrative Expenses	1,614,239	1,922,801
Research and Development Expenses	272,081	416,755
Total Operating Expenses	<u>1,886,320</u>	<u>2,339,556</u>
(Loss) From Operations	<u>(807,409)</u>	<u>(3,306,395)</u>
Other Income (Expense)		
Interest Income	-	18,939
Currency Translation (Expense)	(281)	(1,158)
Interest Expense and Loan Fees	(311,653)	(759,491)
Total Other Income (Expense)	<u>(311,934)</u>	<u>(741,710)</u>
Net (Loss)	<u>(1,119,343)</u>	<u>(4,048,105)</u>
Net (Loss) per share	<u>(0.02)</u>	<u>(0.07)</u>



## Consolidated Statement of Cash Flows for the six months ended 30 June (unaudited)

	30 June 2007 \$	30 June 2006 (Restated) \$
<b>Operating Activities</b>		
Net loss	(1,119,343)	(4,048,105)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	78,431	57,606
Amortization of deferred finance costs	-	545,456
Stock, stock options and warrants issued to employees and non-employees	247,841	50,000
Deferred revenue recognized	36,000	-
(Increase) decrease in changes in operating assets and liabilities:		
Accounts receivable	208,729	180,053
Inventories	458,322	(397,051)
Prepays and other current assets	(224,336)	33,811
Increase (decrease) in Accounts payable and accrued expenses	453,795	63,960
Net cash used in operating activities	139,439	(3,514,270)
<b>Investing activities</b>		
Purchase of property and equipment	(22,540)	(55,509)
Increase in loans receivable	-	(35,000)
Acquisition of intangible assets	(1,475,606)	(267,252)
Net cash used in investing activities	(1,498,146)	(357,761)
<b>Financing Activities</b>		
Proceeds from issuance of stock, net	8,700	-
Proceeds from borrowings	1,442,734	1,189,908
Repayments on borrowings	(92,125)	(239,077)
Net cash provided by financing activities	1,359,309	950,831
Increase(decrease) in cash	602	(2,921,200)
Cash as at beginning of year	41,142	3,173,017
Cash as at 30 June	41,744	251,817

**Supplemental disclosures of Cash Flow information:**

	2007	2006
	\$	\$
Non-cash investing and financing activities are as follows:		
Conversion of debt and accrued interest payable to common stock	415,899	58,423
	=====	=====
Conversion of trade payables to common stock	-	182,430
	=====	=====
	=====	=====
<b>Cash paid during the period for interest</b>	<b>40,653</b>	<b>22,731</b>
	=====	=====

## 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 2007 are not necessarily indicative of results that may be expected for the year ending 31 December 2007. For further information, refer to the Company's audited financial reports for the year ended 31 December 2006.

#### 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 in addition to an acquisition sub consisting of intangible assets related to acquisitions.

#### 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.

**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.

**5.2 Earnings per share**

Basic earnings per share have been calculated by dividing the loss for the current six month period of \$1,119,343 (2006: \$4,048,105 loss) by the weighted average number of shares in issue during the current six month period of 60,772,432 (2006: 55,914,301).