

# AMDL, INC. REPORTS 2008 YEAR END FINANCIAL RESULTS AND FISCAL YEAR 2009 FINANCIAL TARGETS

April 15, 2009 – (www.amdl.com) AMDL, Inc. (NYSE Alternext US: <u>ADL</u> - <u>News</u>), an international pharmaceutical company with operations in China and the US, today announced financial results for the fourth quarter and year ended December 31, 2008.

For the 12 months ended December 31, 2008, the Company demonstrated strong top-line growth and sales performance. Gross revenues increased over 124%, reaching just over \$33.6 million compared to approximately \$15 million for the same period in FY2007. The significant growth in revenues was due to an increase in sales of existing products in the growing China healthcare market, which included AMDL's best-selling human placenta extract (HPE)-based skin care product, Domperidone anti-emetic drug, and other high-quality ethical pharmaceutical products.

Gross profits for FY2008 increased to approximately \$14.8 million compared to approximately \$8.1 million for the same period in FY2007, with a gross profit margin of 52% of net sales as compared to a gross profit of 54% for the same period in FY2007. Gross profits increased approximately US\$6.7 million from FY2007 to FY2008, primarily due to continued product sales growth in China. As a percentage of net revenues, gross profits declined slightly due to a change in AMDL's product mix, which shifted away from certain products reliant on a non-operating small injectable manufacturing line, to other slightly less profitable products. The Company also had an increase in the cost of raw materials and manufacturing overhead. The non-operating small injectable production line is back in trial production and AMDL expects to resume full production beginning in the second quarter FY2009. Operating income for the year ended December 31, 2008 totaled approximately US\$3.3 million compared to a loss of approximately \$1.79 million reported for the same period in 2007, an increase of approximately \$3.53 million.

Due to increases in sales revenue and gross profits in FY2008, AMDL's consolidated net income for the year ended December 31, 2008, excluding foreign currency translation, increased to approximately \$1.2 million, or \$0.07 diluted income per share, as compared to the previous year's loss of approximately \$2.35 million, or (\$0.20) per share for the same period in 2007. Comprehensive income after foreign

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. The Company cautions readers not to place undue reliance on any forward-looking statements. The Company does not undertake, and specifically disclaims any obligation, to update or revise such statements to reflect new circumstances or unanticipated events as they occur.

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currency translation gains was approximately \$2.6 million compared to a loss of approximately \$1.26 million for the same period in FY2007.

Operating expenses for the year ended December 31, 2008 were approximately \$11.2 million, an increase from approximately \$9.87 million in the same period in 2007. The increase in selling, general and administrative expenses was mainly due to the accrual of other severance fees due to the Company's former Chief Executive Officer for the settlement of his employment contract and extension of the expiration of his options.

AMDL's Executive Chairman and CEO, Mr. Douglas MacLellan said, "Despite the challenging US and global economic environment, AMDL continues to achieve its stated financial targets. More important, we've developed a FY2009 business strategy that we believe will deliver comparable growth to 2008. There are certain areas of our business we plan to improve upon and we are building the foundation for the long-term success of Company and financial benefit of our shareholders. This includes securing sufficient working capital to fund key business initiatives in 2009; continuing to deliver in-demand products in the China market where we have been extremely successful to date; establishing self-sustaining and profitable operations in our Tustin headquarters through the international commercialization of DR-70 and select HPE products; and tightening our overall expense structure. AMDL is better positioned now than it has ever been in its history and our team continues to work for a very successful future."

#### **Going Concern Qualification:**

On April 15, 2009, AMDL filed with the SEC an Annual Report on Form 10-K in which included an audit opinion with a "going concern" explanatory paragraph which expresses doubt, based upon current financial resources, as to whether AMDL can continue to meet its obligations beyond 2009 without access to additional working capital. The Company intends to raise additional capital and pursue expense reductions to ensure its ongoing financial viability. This disclosure is in compliance with the NYSE Alternext US Company Guide Rule 610(b) requiring a public announcement of the receipt of an audit opinion that contains a going concern qualification and does not reflect any change or amendment to the consolidated financial statements as filed. Further information regarding the going concern qualification is contained in AMDL's Annual Report on Form 10-K for the year ended December 31, 2008.

#### **FY2009 Guidance Overview:**

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AMDL has achieved over 100% gross revenue growth for the past four consecutive years and expects to achieve a comparable gross revenue growth rate for FY2009 with estimated gross revenues of US\$64 million to \$72 million and net income between US\$8 million and \$12 million after taxes and before foreign currency translation gains or losses for its China-based operations only. This projection does not include any significant sales for the DR-70 (FDP) *in vitro* cancer diagnostic test or export sales for the AMDL's HPE-based age-defying skin care products -- both of which AMDL is in the process of commercializing.

The Company reaffirms it is on track with its FY2009 projections. First quarter 2009 results are expected to be slightly lower than originally forecasted but still comparable to first quarter FY2008 results. This is primarily due to the impact of the Company's non-operating small injectable production line in China. As previously mentioned, this line is currently in trial production and the Company expects to resume full production on the line beginning in the second quarter FY2009. AMDL also expects to recoup 100% of its forecasted product production levels over the course of the remaining year. In addition, the Company anticipates it will carry over approximately \$1.4 million in gross revenues and \$600,000 in earnings into the second quarter of FY2009 from FY2008 fourth quarter sales of AMDL's HPE-based anti-aging product.

### **FY2009 Business Overview:**

With the goal of delivering a consistent and profitable bottom line for the long-term benefit of the Company's shareholders, AMDL's top priority and focus in FY2009 is to further develop and launch additional products to meet growing consumer demand in China; continue strong sales in China; and drive new sales of select products in opportunistic international markets where AMDL believes there is also strong consumer demand.

Key business initiatives include:

- Launching at least eight new HPE product formulations and expanding the sales of these products into at least 36 additional Chinese markets serving over 1 million people and exporting select HPE product formulations to strategic international markets.
- Commercializing AMDL's DR-70 (FDP) *in vitro* cancer diagnostic test in the U.S. for monitoring of colorectal cancer and marketing the product as a complementary test to other existing molecular diagnostic tests in other strategic markets. Specifically, this includes selling DR-70 as a lung cancer screening test in Canada, a general cancer screening test in Korea, Taiwan, Europe,

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and other non-harmonized countries in the Asian-Pacific market, and a general cancer screen and/or a cancer specific test in Latin America and the Middle East.

• Continuing aggressive sales of top-selling pharmaceutical products in China with a focus on expanding to at least 36 additional Chinese markets each serving over 1 million people.

## 2008 Year End Earnings Conference Call:

The Company will host a conference call to discuss its FY2008 financial results scheduled for Thursday, April 16, 2009 at 1:15 p.m. Pacific Daylight Time (4:15 p.m. Eastern Daylight Time). To access the live call, participants should dial (877) 360-1705 in the US or (706) 902–3245 outside the US and reference Conference ID# 95424958. The call will include a live "Question & Answer" session. Participants wanting to submit questions via email prior to the call may do so by emailing AMDL's IR department at <u>kszarkowitz@amdl.com</u>. The conference call will be available to investors immediately following the call through AMDL's "Investor" section of its corporate web site located at www.amdl.com.

It is advisable to dial in approximately 5-10 minutes prior to the conference call start time. For additional information please contact Kristine Szarkowitz, Director, AMDL Investor Relations at 206-310-5323 or <u>kszarkowitz@amdl.com</u>.

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