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American TonerServ Corp. Reports Gains in Toner Revenues

American TonerServ Corp. (OTCBB: ASVP) today announced results for its three months and nine months ending September 30, 2006, posting an increase of approximately 4,800% in toner sales for the three months ending September 30, 2006 ("Q3 2006") over the same period in 2005 ("Q3 2005").

The increase in Q3 2006 revenues was primarily due to the increase in toner revenue. Revenues from the sale of toner cartridges increased by \$137,202 for the three months ending September 30, 2006 compared to 2005. Toner revenues for the nine month period ending September 30, 2006 increased by \$142,027 as compared to the same period last year. Toner revenues increased due to the acquisition of the customer lists of Computech Print Solutions, Inc. and Laser Cartridge Recharge Systems, Inc. which occurred during Q3 2006.

Gross Profit (Revenue less Cost of Goods Sold) for Q3 2006 increased to \$55,421 from \$35,073 in Q3 2005. Gross profit YTD 2006 was \$144,759 as compared to \$137,309 in YTD 2005. The gross profit margin in Q3 2006 was 32% compared to a gross profit margin for Q3 2005 of 29%. The gross profit margin YTD 2006 was 44% compared to a gross profit margin in YTD 2005 of 38%. The Company's gross margins have increased due to the higher margins associated with service revenues on office equipment as compared to toner sales.

Total operating expenses for the three months ending September 30, 2006 were \$631,135, up from \$122,361 over the same period in 2005. For the nine months ending September 30, 2006, total operating expenses were \$853,620, up from \$500,738 in 2005. Management attributes the additional expense in operations to the change of focus to toner sales.

For more information, please see the Company's report on Form 10-QSB for the quarter ended September 30, 2006 which is available at: <http://sec.gov/Archives/edgar/data/1009479/000126327906000192/ats10q.txt>.

As reported in our Form 10-QSB, on July 5, 2006, the Company entered into a Customer List Purchase Agreement with Computech Print Solutions, Inc. ("Computech") in which the Company acquired Computech's list of customers and related information for \$292,000. The terms of the agreement included a \$50,000 down payment and a note for \$242,000 with interest imputed at 10% and monthly payments of \$8,000. On August 26, 2006, the Company entered into a Customer List Purchase Agreement with Laser Cartridge Recharge Systems, Inc. in which the Company acquired Laser Cartridge Recharge Systems, Inc.'s list of customers and related information for \$104,000. The terms of the agreement included a \$5,000 down payment and monthly payments of 25% of gross sales for year one and 20% of gross sales for year two. These companies were distributors of remanufactured laser toner cartridges, primarily to business customers. The Company is using the customer lists to solicit sales of remanufactured toner cartridges to increase the Company's sales of such products.

About American TonerServ:

American TonerServ Corporation has recently entered the public markets after more than a decade in operations providing a range of supplies and services for office equipment. The company's stated mission is to become the nation's leading distributor of compatible toner cartridges. American TonerServ (ATS) has

assembled a strong management team and advisory group to provide experience and direction as the company looks to expand its existing nationwide service network, and to gain market share in this large but highly fragmented compatible toner market. In July 2006 American TonerServ completed what it anticipates to be the first of many acquisitions as it advances its expansion-minded business plan.

Safe Harbor Statement:

Except for historical information contained herein, the matters set forth above may be forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ from those in the forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to the Company or its management, identify forward-looking statements. Such forward-looking statements are based on the current beliefs of management, as well as assumptions made by and information currently available to management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors such as the level of business and consumer spending, the amount of sales of the Company's products, the competitive environment within the industry, the ability of the Company to continue to expand its operations, the level of costs incurred in connection with the Company's expansion efforts, economic conditions in the industry and the financial strength of the Company's customers and suppliers. The Company does not undertake any obligation to update such forward-looking statements. Investors are also directed to consider all other risks and uncertainties.

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