



American TonerServ Reports Fourth-Quarter, Full-Year Results, Reviews Strategy and Outlook

Full-Year 2007 Revenue Increases to \$3,630,531 From \$456,433 in 2006; Fourth-Quarter Revenue Grows to \$1,054,731, From \$131,047 in 2006

SANTA ROSA, CA, Apr 02, 2008 (MARKET WIRE via COMTEX News Network) -- American TonerServ Corp. (OTCBB: ASVP) ("ATS"), a strategic consolidator in the more than \$6.0 billion highly fragmented independent segment of the printer supplies and services industry, today announced financial results for the fourth quarter and year ended December 31, 2007.

"In 2007, American TonerServ went from planning our future to executing the steps necessary to achieve our goal of building the company's annual revenue run rate to approximately \$45 million by the end of 2008," said Dan Brinker, chief executive officer.

"As we stated at the beginning of 2007, our strategy is to acquire and grow strong independent printer supply and service companies in the top 30 metropolitan areas in the United States. Building upon foundational work in 2006, in 2007 we acquired Optima Technologies LLC and Tonertype of Florida, LLC. The Optima acquisition was completed in April, and the Tonertype acquisition closed in late December, making 2007 the biggest year in the Company's history for acquisitions."

Mr. Brinker continued, "Looking forward, we have identified several attractive targets to add to the American TonerServ family of companies. At the same time, we are achieving improvements in sourcing that strengthens our ability to provide cost-effective printer supplies, and we are maximizing operational infrastructure to support our growing business."

In 2007, the American TonerServ Board of Directors was strengthened by the addition of two new members. Chuck Mache joined the board in November and was subsequently named Chairman of the Board in January 2008. Steven Jensen, who was Chief Executive Officer of Optima Technologies, joined the Board in August. Additionally, the company established an advisory board of industry and management experts to provide counsel to the executive management team.

Recent Highlights

In March, 2008, American TonerServ announced the establishment of NC TonerServ, a wholly-owned subsidiary located in North Carolina's Research Triangle.

Also in March, American TonerServ consolidated its Dallas, Texas, operations under the leadership of Clay Allbright, who owned and operated an independent printer supply and service company prior to joining ATS. Additionally, ATS engaged printer supply and service consultant Rob Cowman, founder of the Cowman Group, to work with the Corporate Development team in identifying and evaluating acquisition prospects for ATS.

Mr. Brinker said, "We recognized that the growth we experienced in 2007 represented an opportunity to build best practices internally from the ground up. In early 2008, we established new accounting and audit functions within our Finance department. This group has begun to institute best practices on internal controls. This is one example of how we are building the team to take ATS to a much larger operating model."

Fourth-Quarter and Fiscal Year 2007 Financial Results

ATS reported revenue of \$1.1 million for the quarter ended December 31, 2007, compared to approximately \$0.1 million for the quarter ended December 31, 2006. ATS reported a net loss for the quarter ended December 31, 2007 of \$1.75 million, compared to a net loss of \$1.1 million for the quarter ended December 31, 2006, or a net loss of \$0.04 per share in the fourth quarter compared to a net loss of \$0.06 per share in the same period of the previous year.

The Company reported revenue of \$3.6 million for the year ended December 31, 2007, compared to \$0.5 million for the year ended December 31, 2006. For the twelve months ended December 31, 2007, ATS reported a net loss of \$4.8 million, compared to a net loss of \$1.9 million for the year ended December 31, 2006.

Based on 29.4 million weighted shares of common stock outstanding during the year ended December 31, 2007, ATS reported

a loss of approximately \$0.16 per share for the year ended December 31, 2007 and a loss of \$0.17 per share for the year ended December 31, 2006.

Outlook

"Printing is the largest undocumented cost in business, according to our research," said Mr. Brinker. "ATS customers gain print management systems and service that increase their ability to budget for printing and increase efficiency by reducing equipment down time. Furthermore, using recycled components in top-quality printer cartridges compatible with all leading printer brands reduces cost and reduces waste going to landfills.

"We are actively identifying and evaluating acquisition targets in major metropolitan areas around the country. Our strategy is to make favorable offers to owners and in many cases to engage the expertise of those owners to continue building their operations under the ATS umbrella," said Mr. Brinker. "We plan to add five to seven businesses that together we expect would build the Company's level of revenue to approximately \$45 million on an annualized basis by the end of 2008. We believe the industry is ready for a national consolidator capable of providing buying power, operational infrastructure, inventory management, and best business practices. American TonerServ is that consolidator."

AMERICAN TONERSERV CORP. AND SUBSIDIARIES

Consolidated Statements of Operations

	December 31, 2007	December 31, 2006
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Revenues:		
Toner	\$ 3,203,894	\$ 267,784
Service	426,637	188,649
	-----	-----
Total revenues	3,630,531	456,433
	-----	-----
Cost of sales:		
Toner	2,116,802	171,229
Service	420,046	90,873
Inventory write-down	68,500	-
	-----	-----
Total cost of sales	2,605,348	262,102
	-----	-----
Gross profit	1,025,183	194,331
Operating Expenses:		
Salaries and wages	1,768,024	580,560
Professional fees and services	1,346,706	982,493
Sales and marketing	287,616	87,990
General and administrative	1,334,711	239,145
Amortization of customer lists	338,173	11,503
	-----	-----
Total operating expenses	5,075,230	1,901,691
	-----	-----
Loss from operations	(4,050,047)	(1,707,360)
Other income (expense):		
Fair value of convertible debt	85,417	(154,166)
Termination of management agreement	(550,000)	-
Interest expense	(260,267)	(75,162)
Change in fair value of warrant liabilities	(71,873)	(35,000)
Gain on claims settlements	14,445	37,819
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Net loss	\$(4,832,325)	\$(1,933,869)
	=====	=====
Net loss per share:		
Basic and diluted	\$ (0.16)	\$ (0.17)
	=====	=====
Weighted average number of shares outstanding:		
Basic and diluted	29,373,589	11,359,337
	=====	=====

AMERICAN TONERSERV CORP. AND SUBSIDIARIES

Unaudited Statements of Operations

	Three Months Ended	
	December 31, 2007	December 31, 2006
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Revenues:		
Toner	\$ 911,458	\$ 114,779
Service	143,273	16,268
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Total revenues	1,054,731	131,047
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Cost of sales:		
Toner	659,870	69,500
Service	150,872	11,975
	-----	-----
Total cost of sales	810,742	81,475
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Gross profit	243,989	49,572
Operating Expenses:		
Salaries and wages	606,375	218,427
Professional fees and services	197,221	666,688
Sales and marketing	75,953	72,115
General and administrative	457,774	90,841
Amortization of customer lists	105,951	-
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Total operating expenses	1,443,274	1,048,071
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Loss from operations	(1,199,285)	(998,499)
Other income (expense):		
Fair value of convertible debt	131,250	(3,994)
Termination of Azaria management agreement	(550,000)	-
Interest expense	(69,218)	(21,737)
Change in fair value of warrant liabilities	(78,205)	(47,827)
Gain on claims settlements	13,144	462
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Net loss	\$(1,752,314)	\$(1,071,595)
	=====	=====
Net loss per share:		
Basic and diluted	\$ (0.04)	\$ (0.06)
	=====	=====

AMERICAN TONERSERV CORP. AND SUBSIDIARIES

Consolidated Balance Sheet

	December 31, 2007

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 60,196
Accounts receivable, net of doubtful accounts of \$35,224	1,326,891
Inventory	715,328
Prepaid expenses and other current assets	33,127
Deferred compensation	471,298

Total current assets	2,606,840
Customer lists, net	4,002,862
Goodwill	1,801,895
Property and equipment, net	394,745
Other assets	29,959

Total Assets	\$ 8,836,301
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable and accrued expenses	\$ 1,767,997
Shareholder advances	431,095
Notes payable - current portion (net of unamortized discount of \$(223,120))	2,068,033
Notes payable, related parties - current portion	150,000
Convertible notes payable, related parties - current portion	31,250
Convertible notes payable - current portion	187,500
Deferred revenue	92,589

Total current liabilities	4,728,464

Long-term liabilities:	
Notes payable (net of unamortized discount of \$(343,815))	1,281,400
Convertible notes payable	925,000
Warrant liabilities	119,700

Total long-term liabilities	2,326,100

Total liabilities	7,054,564

Commitments and contingencies	
Stockholders' equity:	
Common stock; \$.001 par value; 450,000,000 shares authorized;	
60,390,956 shares issued and outstanding	60,391
Additional paid-in capital	19,300,186
Accumulated deficit	(17,578,840)

Total stockholders' equity	1,781,737

Total Liabilities and Stockholders' Equity	\$ 8,836,301
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About American TonerServ:

American TonerServ Corp. ("ATS") is building a nationwide organization to efficiently serve the printing needs of small-and medium-sized businesses by consolidating leading independent operators in the \$6 billion recycled printer cartridge and printer services industry, offering top-quality, environmentally-friendly products and local service teams. Please see www.AmericanTonerServ.com for more information.

Forward-Looking Statements

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.

Contact:

American TonerServ Corp.
Phone: 800-736-3515

Jordan Goldstein
Stakeholder Communications

Phone: 415-369-9000
E-mail: Email Contact

SOURCE: American TonerServ

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