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ActiveCare Reports Financial Results for the Third Quarter of Fiscal Year 2014

OREM, Utah, Aug. 20, 2014 (GLOBE NEWSWIRE) -- ActiveCare Inc. (OTCQB:ACAR), a leader in diabetes monitoring and wellness services for self-insured employers nationwide, today reported financial results for the third fiscal quarter ended June 30, 2014. "Over the past two quarters we have reduced expenses while adding key individuals. This reorganization has enabled the Company to reposition itself in the marketplace and set the foundation to attain the Company's significant future goals," stated David Derrick, CEO of ActiveCare.

Third Quarter Financial Results

- The Company reported total revenues of \$800,000 compared to \$4,328,000 in the third quarter of 2013. The decrease was due to a significant sale in the June 2013 quarter that was not repeated in the same quarter in 2014.
- Gross deficit was \$182,000 compared to a gross profit of \$914,000 in the third quarter of 2013. The decrease was primarily due to lower sales and an increase in estimated warranty expense.
- Net loss from continuing operations was \$3,294,000 compared to \$3,110,000 in the third quarter last year. The increase to net loss was due to a decrease in gross profit of \$1,096,000 offset by a decrease in operating expenses of \$416,000 and a decrease in other expenses of \$496,000.
- The Company was able to decrease operating expenses by \$416,000, despite an increase in stock-based compensation of \$303,000. The decrease in operating expenses was due to the Company's initiative to control expenses and decrease employee compensation, consulting services, and professional fees.
- The Company was able to decrease other expenses by \$496,000 primarily due to an \$879,000 reduction of interest expense, offset by a \$467,000 loss on a derivative liability. The reduction of interest expense is due to the conversion of debt and accrued interest to equity during the first quarter ended December 31, 2013.

"We have focused on reorganizing the Company's cost structure, personnel and sales model," continued Derrick. ActiveCare's progress in these areas has reduced quarterly operating expenses, excluding stock-based compensation, by 33% or from \$2,176,000 in the June 30, 2013 quarter to \$1,457,000 in the June 30, 2014 quarter. "As ActiveCare continues to evolve into a more efficient organization it is our expectation that revenues will resume growth under a much more efficient cost structure and a stronger foundation.

With this foundation, we are focused on attracting both large and small employers who are searching for ways to mitigate the costs and improve the quality of healthcare. Our recent contract wins combined with our reorganization has positioned us to achieve sequential profitable revenue growth," concluded Derrick.

About ActiveCare

ActiveCare, Inc. provides patented diabetes monitoring and wellness solutions that increase visibility, lower costs and provide real-time care for members resulting in improved outcomes. Utilizing state-of-the-art meters with embedded cellular technology, trained CareSpecialists can intervene in real-time and provide members with the support needed to control their disease 24 hours a day, every day. Headquartered in Orem, Utah and publicly traded on the OTC Bulletin Board under symbol ACAR, ActiveCare's solution is revolutionizing the way employers, individuals and their health plans monitor chronic disease. To learn more about ActiveCare, Inc., visit the website at www.activecare.com.

Safe Harbor

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. Our actual results could differ materially from those projected in these forward-looking statements, which involve a number of risks and uncertainties, including global economic conditions generally, regulatory uncertainty and economic pressure on the healthcare industry in particular, the governmental regulation of our products, manufacturing and marketing risks, adverse publicity risks, and risks associated with assimilating our recent acquisitions. The contents of this release should be considered in conjunction with the risk factors, warnings, and cautionary statements that are contained in our most recent filings with the Securities and Exchange Commission.

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