

August 13, 2015



Aethlon Medical Announces Fiscal 2016 First Quarter Results

SAN DIEGO, Aug. 13, 2015 /PRNewswire/ -- Aethlon Medical, Inc. (Nasdaq:AEMD), the pioneer in creating affinity biofiltration devices to treat life-threatening diseases, today announced results for the first quarter of fiscal 2016 ended June 30, 2015.



"In recent months, we executed a series a corporate milestones that improve the future outlook for our organization," stated Jim Joyce, Chairman and CEO of Aethlon Medical. "We continued to strengthen our balance sheet through the completion of a \$6 million equity financing and our shares began trading on Nasdaq, which broadens our access to the capital markets. As a result of the financing, we have the capital resources to support the FDA-approved study we initiated to advance Hemopurifier® therapy as a candidate to treat a broad-spectrum of viral pathogens. Additionally, we are better positioned to pursue clinical opportunities that exist for our Hemopurifier® in cancer care."

Recent Events

On June 24, 2015 we successfully completed a \$6 million private equity offering which yielded net proceeds of approximately \$5.6 million.

On July 13, 2015, an application to list our common stock on the Nasdaq Capital Market was approved and our common stock began trading on the Nasdaq Capital Market on July 13, 2015.

Financial Results

At June 30, 2015, we had a cash balance of approximately \$5.65 million. Our cash position

will be used to fund our FDA-approved feasibility study in the U.S. and our operations over the current fiscal year.

We recorded revenues from our government contracts of \$192 thousand in the first quarter of fiscal 2016 compared to \$51 thousand in the first quarter of fiscal 2015. The increase was due to achieving a milestone under our DARPA contract in the 2016 period.

Consolidated operating expenses were \$1.3 million in the first quarter of fiscal 2016 compared to \$1.2 million in the first quarter of last year.

Professional fees were \$538 thousand in the first quarter of fiscal 2016 compared to \$402 thousand in the first quarter of last year, an increase of \$136 thousand. The \$136 thousand increase in our professional fees was primarily due to an increase in our non-DARPA-related professional fees of \$237 thousand, which was partially offset by a reduction in our professional fees at our ESI subsidiary of \$55 thousand and in our DARPA-related professional fees of \$45 thousand. The \$237 thousand increase in our non-DARPA-related professional fees was primarily due to a \$213 thousand increase in legal fees and a \$65 thousand increase in accounting fees, both of which are largely related to work on registration statements related to our financings. Those increases were partially offset by a \$60 thousand decrease in scientific consulting fees.

Payroll and related expenses were \$458 thousand in the first quarter of fiscal 2016 compared to \$621 thousand in the first quarter of last year, a decrease of \$163 thousand. The \$163 thousand decrease in payroll and related expenses was primarily due to a \$120 thousand decrease in stock-based compensation due to vesting of stock option grants issued in July 2013 and June 2014 and to a \$42 thousand reduction in cash-based compensation due to headcount reductions from the 2014 period.

General and administrative expenses were \$286 thousand in the first quarter of fiscal 2016 compared to \$201 thousand in the first quarter of last year, an increase of \$85 thousand. The \$85 thousand increase in general and administrative expenses was primarily due an increase of \$110 thousand in our non-DARPA-related general and administrative expenses, which was partially offset by a \$19 thousand decrease in the general and administrative expenses at ESI and a \$6 thousand decrease in our DARPA-related general and administrative expenses. The primary factors in the \$110 thousand increase in our non-DARPA-related general and administrative expenses were a \$42 thousand increase in the cost of our U.S. clinical trial, a \$26 thousand increase in our conference expense and a related \$16 thousand increase in our travel expense largely related to increased participation in investor and industry conferences, and a \$14 thousand increase in our investor relations expenses.

Net loss for the first quarter of fiscal 2016 was \$1.2 million, or \$0.18 per share, compared to net loss of \$3.7 million, or \$0.80 per share, for the first quarter of fiscal 2015.

Our unaudited condensed consolidated balance sheet for June 30, 2015 and our unaudited condensed consolidated statements of operations for the three month periods ended June 30, 2015 and 2014 follow at the end of this release.

Conference Call

Aethlon will hold a conference call for investors on August 13, 2015 at 1:30 p.m. PT (4:30 p.m. ET). Investors may access the call by dialing 412-902-6510 (domestic) or 877-270-2148 (International). A live webcast of the call will be available from the Investor Relations section of www.aethlonmedical.com. A recording of the call will also be available by calling 412-317-0088; access code 10070531 beginning approximately two hours after the call, and will be available for one week. A webcast replay from today's call will also be available from the Investor Relations section of www.aethlonmedical.com approximately one hour after the call and will be available for up to thirty days.

About Aethlon Medical, Inc.

Aethlon Medical creates affinity biofiltration devices to treat life-threatening diseases. Our lead therapeutic candidate is the Aethlon Hemopurifier®, a first-in-class device that targets the rapid elimination of infectious viruses and cancer-promoting exosomes from the circulatory system of treated individuals. U.S. clinical progression of Hemopurifier therapy is being advanced under an FDA approved clinical study. We also provide government contracting services to the Defense Advanced Research Projects Agency related to the development of a biofiltration device to treat sepsis. Additional information can be found online at www.AethlonMedical.com or you can connect with us on Twitter, LinkedIn, Facebook and Google+.

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "will," "projections," "estimate," or similar expressions constitute forward-looking statements. Such forward-looking statements are subject to significant risks and uncertainties and actual results may differ materially from the results anticipated in the forward-looking statements. Factors that may contribute to such differences include, without limitation, the Company's ability to maintain its listing on the Nasdaq Capital Market, or any other national securities exchange, that the Company or its subsidiary will not be able to commercialize its products, that the FDA will not approve the initiation or continuation of the Company's clinical programs or provide market clearance of the Company's products, the Company's ability to raise capital when needed, the Company's ability to complete the development of its planned products, the Company's ability to manufacture its products either internally or through outside companies, the impact of government regulations, patent protection on the Company's proprietary technology, the ability of the Company to meet the milestones contemplated in its contract with DARPA, product liability exposure, uncertainty of market acceptance, competition, technological change, and other risk factors. The foregoing list of risks and uncertainties is illustrative, but is not exhaustive. Additional factors that could cause results to differ materially from those anticipated in forward-looking statements can be found under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended March 31, 2015, and in the Company's other filings with the Securities and Exchange Commission. Except as may be required by law, the Company does not intend, nor does it undertake any duty, to update this information to reflect future events or circumstances.

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AETHLON MEDICAL, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheet

ASSETS

	June 30, 2015	March 31, 2015
	(unaudited)	
CURRENT ASSETS		
Cash	\$5,649,578	\$855,596
Accounts receivable	967	193,341
Deferred financing costs	63,022	82,324
Prepaid expenses	92,948	73,135
TOTAL CURRENT ASSETS	5,806,515	1,204,396
Property and equipment, net	49,044	56,091
Patents, net	101,034	103,325
Other assets	17,443	16,776
TOTAL NONCURRENT ASSETS	167,521	176,192
TOTAL ASSETS	\$5,974,036	\$1,380,588

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	374,387	342,133
Due to related parties	175,112	146,112
Convertible notes payable, net	248,367	-

Other current liabilities	98,747	85,731
TOTAL CURRENT LIABILITIES	896,613	573,976
NONCURRENT LIABILITIES		
Convertible notes payable, non-current portion, net	-	155,229
TOTAL NONCURRENT LIABILITIES	-	155,229
TOTAL LIABILITIES	896,613	729,205
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Common stock, par value of \$0.001, 500,000,000 shares authorized; 7,610,344 and 6,657,046 issued and outstanding	7,609	6,657
Additional paid in capital	87,880,254	82,238,507
Deficit accumulated during the development stage	(82,812,750)	(81,629,714)
TOTAL STOCKHOLDERS' EQUITY BEFORE NONCONTROLLING INTERESTS	5,075,113	615,450
Noncontrolling interests	2,310	35,933
TOTAL STOCKHOLDERS' EQUITY	5,077,423	651,383
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$5,974,036	\$1,380,588

AETHLON MEDICAL, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

For three months ended June 30, 2015 and 2014

	Three Months Three Months	
	Ended 6/30/15 Ended 6/30/14	
	(unaudited) (unaudited)	
Government contract revenue	\$192,508	\$51,296
OPERATING EXPENSES		
Professional fees	538,226	401,613
Payroll and related	458,228	620,686
General and administrative	286,025	201,005
	1,282,479	1,223,304
OPERATING LOSS	(1,089,971)	(1,172,008)
OTHER (INCOME) EXPENSE		
Loss on extinguishment of debt	-	2,453,630
Interest and other debt expenses	126,688	78,654
	126,688	2,532,284
NET LOSS BEFORE NONCONTROLLING INTERESTS	\$(1,216,659)	\$(3,704,292)
Loss attributable to noncontrolling interests	\$(33,623)	\$(48,351)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$(1,183,036)	\$(3,655,941)
Basic and diluted net loss available to common stockholders per share	\$ (0.18)	\$ (0.80)
Weighted average number of common shares outstanding	6,720,484	4,542,253

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SOURCE Aethlon Medical, Inc.