



Amistar Reports Unaudited Financial Results for Fourth Quarter 2008

SAN MARCOS, CALIFORNIA, February 20, 2009 /GlobeNewswire/ -- Amistar Corporation (Pink Sheets-AMTA.PK) today reported sales and net income for the three and twelve months ended December 31, 2008.

Net sales for the fourth quarter of 2008 decreased \$793,000, or 91%, to \$78,000, compared to \$871,000 for the comparable quarter in 2007. Net sales for the year ended December 31, 2008 decreased \$3,011,000, or 71%, to \$1,259,000, compared to \$4,270,000 for 2007. The decrease in net sales for the three and twelve months of 2008, compared to the same periods in 2007 was due primarily to lower selling prices on products sold to the Company's exclusive distributor beginning in March 2008, as part of its plan of restructuring. The Company recorded revenue of \$1,500 from earn-out on three pharmacy kiosk units during the fourth quarter of 2008, compared to earn-out of \$4,000 on eight units in the comparable period in 2007. The Company recorded revenue of \$6,500 from earn-out on thirteen pharmacy kiosk units for each year ending 2008 and 2007, respectively.

Net loss for the fourth quarter of 2008 was \$14,000 or \$0.00 per share compared to a net loss of \$420,000 or \$0.13 per share for the comparable quarter in 2007. The reduction in net loss was due primarily to lower operating expenses resulting from restructuring begun in the first quarter of 2008.

Net income for the year ended December 31, 2008 was \$393,000 or \$0.12 per share compared to \$269,000 or \$0.08 per share for 2007. Net income for the year ended December 31, 2008 was primarily the result of the recognition of the balance of deferred gain on sale and lease-back of the Company's headquarters building totaling \$1,127,000, compared to amortization of \$300,000 during 2007. In addition, during the year ended December 31, 2008, the Company recognized a gain of \$25,000 from the sale of property and equipment and recorded restructuring charges of \$522,000, which consisted of \$203,000 in employee separation costs and \$319,000 in lease termination costs.

As announced in its press release on February 5, 2008, the Company committed to a plan of restructuring that involved a sale of substantially all its operating assets and the execution of an agreement to sell its remaining inventory through a distributor. The Company has been executing this plan and as of December 31, 2008, completed its restructuring, including having fulfilled all its outstanding sales contracts, made headcount reductions, secured continuing support for its existing customers, sold tangible operating assets and satisfied its obligations to suppliers and employees other than those related to lease abandonment costs and to ongoing operations.

Unaudited Condensed Consolidated Statements of Income (In thousands)

	Three Months Ended December 31,		Years Ended December 31,	
	2008	2007	2008	2007
Net sales	\$ 78	\$ 871	\$ 1,259	\$ 4,270
Cost of sales	42	938	1,085	3,605
Gross profit (loss)	36	(67)	174	665
Operating expenses	54	479	657	2,973
Operating profit (loss)	(18)	(546)	(483)	(2,308)
Other income (expense)	(3)	127	871	2,660
Income (loss) before income taxes	(21)	(419)	388	352
Income taxes (benefit)	(7)	1	(5)	83
Net income (loss)	\$ (14)	\$ (420)	\$ 393	\$ 269
Income (loss) per share	\$ (0.00)	\$ (0.13)	\$ 0.12	\$ 0.08
Shares used in per share calculation- basic and diluted	3,308	3,308	3,308	3,308

Unaudited Condensed Balance Sheets
(In thousands)

	December 31,	
	2008	2007
Cash	\$ 10	\$ 448
Accounts receivable	26	132
Inventory, net of reserves	437	903
Other assets	6	392
Current assets	479	1,875
Property and equipment, net	-	130
Total assets	\$ 479	\$ 2,005
Accounts payable	\$ 5	\$ 127
Accrued liabilities	195	703
Accrued wages and related	-	86
Deferred gain on property	-	1,127
Current liabilities	200	2,043
Common stock	33	33
Additional paid in capital	5,185	5,439
Retained deficit	(4,939)	(5,510)
Stockholders equity (deficit)	279	(38)
Total liabilities and equity	\$ 479	\$ 2,005

During the fourth quarter of 2008, the Company's subsidiary Distributed Delivery Networks was dissolved and its corporation status terminated. The amounts previously recorded in Additional paid in capital and Retained deficit have been removed.

The Company expects to make distributions to shareholders from time to time as it is able to accumulate cash from operations.

Financial Statement Information

This report contains condensed financial statements that have not been audited or reviewed by an auditor and are subject to change.

Forward Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Reform Act of 1995, including statements regarding market opportunities, customer acceptance of products, sales growth, gross margin, and distributions to shareholders. These forward-looking statements involve risks and uncertainties, and the cautionary statements set forth below identify important factors that could cause actual results to differ materially from those in any such forward-looking statements. Such factors include, but are not limited to, adverse changes in general economic conditions, including changes in the specific markets for the Company's products, decreased or lack of growth in the electronics industry, adverse changes in end customer order patterns, increased competition, pricing pressures, fluctuations in the price of the Company's stock, ability of the Company, its distributor AAI or the purchaser of the Company's previously owned pharmacy kiosk business unit to be financially viable or continue as a going concern for the long term.

About the Company

The Company has developed, manufactured, distributed and marketed assembly machinery primarily for the electronics industries, and provided engineering design and manufacturing services to customers seeking enhanced factory automation for a variety of industries. As of March 3, 2008, the Company provides machinery, accessories and spare parts through its exclusive distributor Amistar Automation, Inc. In addition, the Company receives earn-out payments based on sales of a pharmacy kiosk originally developed by the Company and later sold along with a business unit during 2007.

Additional information about Amistar including its financial statements for the three months and year ending December 31, 2008 is available at www.amistar.com. In order to reduce its costs of printing and mailing, the Company will furnish annual reports to its shareholders by posting them on its website. A shareholder may receive a written copy by written or e-mail request.

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