

Bodisen Biotech, Inc. reports Unaudited First Quarter Financial Results

Review & Extracts of the Form10-Q as required by the Securities & Exchange Commission

Bodisen Biotech, Inc. (the "Company") (OTC Pink Sheets: BBCZ; London AIM: BODI; website: www.bodisen.com) recently announced its first quarter unaudited results for the period ended March 31, 2009 which are extracted from the Company's Form 10-Q filed with the SEC.

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Bodisen Biotech, Inc.
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Results of Operations

Three months ended March 31, 2009 compared to Three months ended March 31, 2008.

Revenue. The Company generated revenues of \$1,535,035 for the three months ended March 31, 2009, an increase of \$626,516 or 69.0%, compared to \$908,519 for the three months ended March 31, 2008. The significant increase in revenue is due to a decrease in the Company's products price which resulted in a large increase in sales volume.

Gross Profit. The Company achieved a gross profit of \$211,751 for the three months ended March 31, 2009, a decrease of \$129,480 or 37.9%, compared to \$341,231 for the three months ended March 31, 2008. The decrease in gross profit was due to increased costs of revenue. Gross margin (gross profit as a percentage of revenues), decreased from 37.6% for the three months ended March 31, 2008, to 13.8% for the three months ended March 31, 2009 primarily as a result of an increase in raw material costs.

Operating expenses. The Company incurred net operating expenses of \$176,642 for the three months ended March 31, 2009, a decrease of \$664,961 or 79.0% compared to \$841,603 for the three months ended March 31, 2008. The decrease in operating expenses is primarily related to a decrease in the general cost of operations due to the reduction in the Company's revenues during the past few years.

Aggregated selling expenses accounted for \$12,246 of the Company's operating expenses for the three months ended March 31, 2009, a decrease of \$170,013 or 93.3% compared to \$182,259 for the three months ended March 31, 2008. The decrease in aggregated selling expenses is due to the decrease in the Company's marketing costs. General and administrative expenses accounted for the remainder of the net operating expenses of \$152,482 for the three months ended March 31, 2009, which decreased \$506,862 or 76.9% compared to \$659,344 for the three months ended March 31, 2008. The decrease in general and administrative expenses is primarily related to a general cost of operations due to the reduction in the Company's revenues during the past few years.

Non Operating Income and Expenses. The Company had total non-operating income of \$512,310 for the three months ended March 31, 2009 compared to total non-operating income of \$2,268,307 for the three months ended March 31, 2008. Other income was \$482,797 for the three months ended March 31, 2009 compared to \$2,212,059 for three months ended March 31, 2008. The other income for both periods in 2009 and 2008 is primarily due to bad debt recoveries. Total non-operating income includes interest income of \$192 for the three months ended March 31, 2009 compared to \$56,248 of interest income for the three months ended March 31, 2008. The decrease in interest income in 2009 is due less

cash in the bank generating interest income. Also included in non-operating income (expense) for the three months ended March 31, 2009 is \$130,247 related to the loss on the sale of an investment and equity income in an investment of \$159,643.

About Bodisen Biotech, Inc.

Bodisen Biotech, Inc. is a manufacturer of liquid and organic compound fertilizers, pesticides, insecticides and agricultural raw material certified by the Petroleum Chemical Industry Administrative office of China (Chemical Petroleum Production Administrative Bureau), Shaanxi provincial government and Chinese government. The company is headquartered in Shaanxi province and is a Delaware corporation. The company files annual and periodic reports with the U.S. Securities and Exchange Commission, which are accessible at www.sec.gov.

Safe Harbor Statement

This press release may contain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on the current expectations or beliefs of Bodisen Biotech, Inc. management and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

**CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE
INCOME (LOSS) FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007**

| | Three Months Ended March 31, | |
|--|------------------------------|---------------------|
| | 2009 (unaudited) | 2008 (unaudited) |
| Net Revenue | \$ 1,535,035 | \$ 908,519 |
| Cost of Revenue | <u>1,323,284</u> | <u>567,288</u> |
| Gross profit | 211,751 | 341,231 |
| Operating expenses | | |
| Selling expenses | 12,246 | 182,259 |
| General and administrative expenses | <u>152,482</u> | <u>659,344</u> |
| Loss on disposal of assets | <u>11,914</u> | <u>-</u> |
| Total operating expenses | <u>176,642</u> | <u>841,603</u> |
| Profit/Loss from operations | 35,109 | (500,372) |
| Non-operating income/(expense): | | |
| Other income/(expense) | 482,797 | 2,212,059 |
| Interest income | 192 | 56,248 |
| Interest expense | (75) | - |
| Total non-operating income/(expense) | <u>512,310</u> | <u>2,268,307</u> |
| Profit/loss before provision for income taxes | <u>547,419</u> | <u>1,767,935</u> |
| Provision for income taxes | <u>-</u> | <u>-</u> |
| Net income/(loss) | 547,419 | 1,767,935 |
| Other comprehensive income (loss) | | |
| Foreign currency translation gain (loss) | (54,350) | 1,900,030 |
| Unrealized loss on marketable equity security | <u>(722,319)</u> | <u>(3,281,391)</u> |
| Comprehensive income/(loss) | <u>\$ (229,250)</u> | <u>\$ 386,574</u> |
| Weighted average shares outstanding | | |
| Basic | <u>18,710,250</u> | <u>18,310,250</u> |
| Diluted | <u>18,710,250</u> | <u>18,310,250</u> |
| Earnings per share: | | |
| Basic | <u>\$ 0.03</u> | <u>\$ 0.10</u> |

Diluted

\$ 0.03 \$ 0.10

**CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2008 AND DECEMBER 31, 2007**

| | March 31, 2009 | December 31, 2008 |
|--|---------------------------|------------------------------|
| <u>ASSETS</u> | (unaudited) | |
| CURRENT ASSETS: | | |
| Cash & cash equivalents | \$ 224,605 | \$ 90,716 |
| Accounts receivable and other receivable, net of allowance for doubtful accounts of \$5,577,944 and \$6,069,700 | 2,063,532 | 719,607 |
| Other receivables | 401,856 | 375,780 |
| Inventory | 1,998,342 | 2,629,280 |
| Advances to suppliers | 174,142 | - |
| Prepaid expense and other current assets | 787,180 | 803,091 |
| | 5,649,657 | 4,618,474 |
| PROPERTY AND EQUIPMENT, net | 5,258,688 | 5,373,232 |
| CONSTRUCTION IN PROGRESS | 17,533,332 | 17,542,626 |
| MARKETABLE SECURITY | 5,468,985 | 6,191,304 |
| INTANGIBLE ASSETS, net | 5,031,415 | 5,093,073 |
| OTHER ASSETS | 2,960,954 | 3,669,063 |
| LOAN RECEIVABLE | - | - |
| | 41,903,031 | 42,487,772 |
| TOTAL ASSETS | \$ 41,903,031 | \$ 42,487,772 |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 374,717 | \$ 710,475 |
| Accrued expenses | 82,823 | 102,556 |
| | 457,540 | 813,031 |
| Total current liabilities | | 813,031 |

STOCKHOLDERS' EQUITY:

Preferred stock, \$0.0001 per share; authorized 5,000,000 shares;

nil issued and outstanding

Common stock, \$0.0001 per share; authorized 30,000,000 shares; issued and outstanding 18,310,250 and 18,710,250

| | | |
|----------------------------|-------------------|-------------------|
| | 1,871 | 1,871 |
| Additional paid-in capital | 33,945,822 | 33,945,822 |
| Other comprehensive income | 10,664,293 | 11,440,962 |
| Statutory reserve | 4,314,488 | 4,314,488 |
| Retained Earnings | (7,480,983) | (8,028,402) |
| | <u>41,445,491</u> | <u>41,674,741</u> |

Total stockholders' equity

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 41,903,031 \$ 42,487,772

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007**

| | Three Months Ended March 31, | |
|--|-------------------------------------|----------------------------|
| | 2009 (unaudited) | 2008 (unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 547,419 | \$ 1,767,935 |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Depreciation and amortization | 147,101 | 118,141 |
| Loss on disposal of assets | 11,914 | - |
| Loss on the sale of investment | 130,247 | - |
| Recovery of bad debts | (483,514) | (2,370,691) |
| Equity income in investment | (159,643) | - |
| (Increase) / decrease in assets: | | |
| Accounts receivable | (861,484) | 1,670,737 |
| Other receivable & Loan Receivable | (26,589) | (1,264,440) |
| Inventory | 627,397 | (495,907) |
| Advances to suppliers | (174,154) | 682,752 |
| Prepaid expense | 14,817 | 49,372 |
| Increase / (decrease) in current liabilities: | | |
| Accounts payable and accrued expenses | (335,494) | (89,350) |
| Accrued expenses | (16,640) | (44,532) |
| Net cash used in operating activities | <u>(578,623)</u> | <u>24,017</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property and equipment | - | (64,214) |
| Additions to construction in progress | (14,624) | - |
| Proceeds from sale of investment | 735,480 | 47,403 |
| Net cash used in investing activities | <u>720,856</u> | <u>(16,811)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(8,344)</u> | <u>143,788</u> |
| NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS | 133,889 | 150,994 |
| CASH & CASH EQUIVALENTS, BEGINNING OF PERIOD | <u>90,716</u> | <u>617,406</u> |
| CASH & CASH EQUIVALENTS, END OF PERIOD | <u>\$ 224,605</u> | <u>\$ 768,400</u> |

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW
INFORMATION:**

| | | | | |
|-------------------|----|--------------------|----|--------------------|
| Interest paid | \$ | <u> -</u> | \$ | <u> -</u> |
| Income taxes paid | \$ | <u> -</u> | \$ | <u> -</u> |