

November 16, 2015



Aethlon Medical Announces Fiscal 2016 Second Quarter Results

SAN DIEGO, Nov. 16, 2015 /PRNewswire/ -- Aethlon Medical, Inc. (Nasdaq:AEMD), the pioneer in creating affinity biofiltration devices to treat life-threatening diseases, today announced results for the second quarter of fiscal 2016 ended September 30, 2015.



"Beyond achieving the short-term objectives set forth in our last quarterly call, we also made material advancements that should benefit our long-term clinical and commercialization endeavors," stated Jim Joyce, Chairman and CEO of Aethlon Medical. "We transitioned to a new Principal Investigator to support our clinical study in Houston, we secured year 5 approval of our primary DARPA contract, kicked-off a cancer related study at UC Irvine Medical Center, launched two new virus study collaborations, and our Exosome Sciences subsidiary submitted a manuscript for publication with our CTE study collaborators. We also made manufacturing related advances and introduced a partnering program to establish new Aethlon ADAPT™ based therapies that target disease indications not addressed by our Hemopurifier®."

Financial Results

At September 30, 2015, we had a cash balance of approximately \$4.2 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 \$188 thousand in the second quarter of fiscal 2016 compared to \$479 thousand in the second quarter of fiscal 2015. The decrease was due to achieving a lower number of milestones under our DARPA contract in the September 2015 period compared to the September 2014 period.

Consolidated operating expenses were \$1.3 million in the second quarter of fiscal 2016 compared to \$1.1 million in the second quarter of last year.

Professional fees were \$389 thousand in the second quarter of fiscal 2016 compared to \$309 thousand in the second quarter of last year, an increase of \$80 thousand. The increase in professional fees was primarily due to an increase in our non-DARPA-related professional fees of \$85 thousand and an increase in our DARPA-related professional fees of \$1 thousand. Those increases were partially offset by a reduction in our professional fees at Exosome Sciences, Inc. (our majority owned subsidiary) (ESI) of \$7 thousand. The \$85 thousand increase in our non-DARPA-related professional fees was primarily due to a \$57 thousand increase in legal fees largely related to work on several registration statements related to our financings, a \$20 thousand increase in investor relations fees and a \$13 thousand increase in scientific consulting fees.

Payroll and related expenses were \$598 thousand in the second quarter of fiscal 2016 compared to \$544 thousand in the second quarter of last year, an increase of \$54 thousand. The increase in payroll and related expenses was primarily due to a \$93 thousand increase in cash-based compensation, which was partially offset by a \$39 thousand decrease in stock-based compensation due to vesting of stock option grants issued in July 2013 and June 2014. The increase in cash-based compensation was primarily due to established milestone-based bonus payments at Aethlon of \$175,000 which were partially offset by headcount reductions.

General and administrative expenses were \$326 thousand in the second quarter of fiscal 2016 compared to \$227 thousand in the second quarter of last year, an increase of \$99 thousand. The \$99 thousand increase in general and administrative expenses was primarily due an increase of \$121 thousand in our non-DARPA-related general and administrative expenses, which was partially offset by a \$6 thousand decrease in the general and administrative expenses at ESI and a \$16 thousand decrease in our DARPA-related general and administrative expenses. The primary factor in the \$121 thousand increase in our non-DARPA-related general and administrative expenses was a \$115 thousand increase in the cost of our U.S. clinical trial.

Net loss for the second quarter of fiscal 2016 was \$1.2 million, or \$0.16 per share, compared to net loss of \$0.8 million, or \$0.16 per share, for the second quarter of fiscal 2015.

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

Conference Call

Aethlon will hold a conference call for investors on November 16, 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 10075367 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**

	September 30, 2015	March 31, 2015
	(unaudited)	
CURRENT ASSETS		
Cash	\$4,209,356	\$855,596
Accounts receivable	186,808	193,341
Deferred financing costs	42,883	82,324
Prepaid expenses	108,245	73,135
TOTAL CURRENT ASSETS	4,547,292	1,204,396
Property and equipment, net	41,997	56,091
Patents, net	98,743	103,325
Other assets	17,443	16,776
TOTAL NONCURRENT ASSETS	158,183	176,192
TOTAL ASSETS	\$4,705,475	\$1,380,588

LIABILITIES AND STOCKHOLDERS' EQUITY**CURRENT LIABILITIES**

Accounts payable	217,594	342,133
Due to related parties	204,112	146,112
Convertible notes payable, net	341,505	-
Other current liabilities	65,737	85,731

TOTAL CURRENT LIABILITIES	828,948	573,976
NONCURRENT LIABILITIES		
Convertible notes payable, non-current portion, net	-	155,229
TOTAL NONCURRENT LIABILITIES	-	155,229
TOTAL LIABILITIES	828,948	729,205
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Common stock, par value of \$0.001, 10,000,000 shares authorized; 7,615,636 and 6,657,046 issued and outstanding	7,614	6,657
Additional paid in capital	87,930,959	82,238,507
Deficit accumulated during the development stage	(84,037,356)	(81,629,714)
TOTAL STOCKHOLDERS' EQUITY BEFORE NONCONTROLLING INTERESTS	3,901,217	615,450
Noncontrolling interests	(24,690)	35,933
TOTAL STOCKHOLDERS' EQUITY	3,876,527	651,383
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$4,705,475	\$1,380,588

AETHLON MEDICAL, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

For three and six months ended September 30, 2015 and 2014

Three Months Three Months Six Months Six Months

Ended 9/30/15 Ended 9/30/15 Ended 9/30/15 Ended 9/30/15

	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Government contract revenue	\$188,366	\$479,075	\$380,874	\$530,371
OPERATING EXPENSES				
Professional fees	389,207	308,821	927,433	710,434
Payroll and related	597,850	544,354	1,056,078	1,165,040
General and administrative	325,670	227,092	611,695	428,097
	1,312,727	1,080,267	2,595,206	2,303,571
OPERATING LOSS	(1,124,361)	(601,192)	(2,214,332)	(1,773,200)
OTHER (INCOME) EXPENSE				
Loss on extinguishment of debt	-	65,493	-	2,531,123
Interest and other debt expenses	127,245	78,145	253,933	144,799
Loss on extension of warrants	-	143,363	-	143,363
	127,245	287,001	253,933	2,819,285
NET LOSS BEFORE NONCONTROLLING INTERESTS	\$(1,251,606)	\$(888,193)	\$(2,468,265)	\$(4,592,485)
Loss attributable to noncontrolling interests	(27,000)	(40,784)	(60,623)	(89,135)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$(1,224,606)	\$(847,409)	\$(2,407,642)	\$(4,503,350)
Basic and diluted net loss available to common stockholders per share	\$ (0.16)	\$ (0.16)	\$ (0.34)	\$ (0.92)
Weighted average number of common shares outstanding	7,610,459	5,187,398	7,167,903	4,869,898

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