



Amistar Reports Unaudited Financial Results for Third Quarter 2008

SAN MARCOS, CALIFORNIA, December 8, 2008 /PRIMENEWSWIRE/ -- Amistar Corporation (Pink Sheets-AMTA.PK) today reported sales and net income for the three and nine months ended September 30, 2008.

Net sales for the third quarter of 2008 decreased \$284,000, or 78%, to \$79,000, compared to 363,000 for the comparable quarter in the prior year. Net sales for the nine months ended September 30, 2008 decreased \$2,218,000, or 65%, to \$1,181,000, compared to \$3,399,000 for the comparable period in the prior year. The decrease in net sales for the three and nine months of 2008 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.

Net income for the third quarter of 2008 was \$28,000 or \$0.01 per share compared to a net loss of \$550,000 or \$0.17 per share for the comparable quarter in 2007. The improvement from a loss to net income was due primarily to lower operating expenses resulting from restructuring made in the first quarter of 2008, and due to decreases in accrued expenses for legal and accounting costs.

Net income the nine months ended September 30 2008 was \$407,000 or \$0.12 per share compared to \$689,000 or \$0.21 per share for the comparable period in 2007. The net income in the nine months ended September 30, 2008 was primarily the result of the recognition of the balance of deferred gain totaling \$1,127,000 on sale and lease-back of the Company's headquarters building compared to amortization of \$75,000 during the comparable period in 2007. In addition, during the nine months ended September 30, 2008 the Company received proceeds from the sale of property and equipment totaling \$123,000 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 its plans and as of September 30, 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 used substantially all its cash to satisfy its obligations to suppliers and employees. The Company expects to satisfy its remaining obligations, other than lease termination costs and those related to on-going operations by December 31, 2008. The Company expects to make distributions to shareholders from time to time as it is able to accumulate cash from operations.

Unaudited Condensed Consolidated Statements of Income (In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Net sales	\$ 79	\$ 363	\$ 1,181	\$ 3,399
Cost of sales	56	374	1,042	2,667
Gross profit (loss)	23	(11)	139	732
Operating expenses	(6)	620	603	2,494
Operating profit (loss)	29	(631)	(464)	(1,762)
Other income	-	102	873	2,533
Income (loss) before income taxes	29	(529)	409	771
Income taxes	1	21	2	82
Net income (loss)	\$ 28	\$ (550)	\$ 407	\$ 689
Income (loss) per share	\$ 0.01	\$ (0.17)	\$ 0.12	\$ 0.21
Shares used in per share calculation- basic and diluted	3,308	3,308	3,308	3,308

Unaudited Condensed Balance Sheets
(In thousands)

	September 30, 2008	December 31, 2007
Cash	\$ 26	\$ 448
Accounts receivable	30	132
Inventory, net of reserves	485	903
Other assets	36	392
Current assets	577	1,875
Property and equipment, net	1	130
Total assets	\$ 578	\$ 2,005
Accounts payable	\$ 4	\$ 127
Accrued liabilities	215	703
Accrued wages and related	67	86
Deferred gain on property	-	1,127
Current liabilities	286	2,043
Common stock	33	33
Additional paid in capital	5,185	5,439
Retained earnings	(4,926)	(5,510)
Stockholders equity (deficit)	292	(38)
Total liabilities and equity	\$ 578	\$ 2,005

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, and gross margin. 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 customer order patterns, increased competition, pricing pressures, fluctuations in the price of the Company's stock, ability of the Company and its distributor AAI to be financially viable or continue as a going concern for the long term.

About the Company

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 distributor Amistar Automation, Inc.

Additional information about Amistar including its financial statements for the three and nine months ending September 30, 2008 is available at www.amistar.com and www.pinksheets.com

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