

Bonds.com Group, Inc. Reports First Quarter 2008 Operating Results

BOCA RATON, Fla., May 16, 2008 (BUSINESS WIRE) -- Bonds.com Group, Inc. (OTCBB: BDCG), operating through its subsidiary Bonds.com, Inc., provider of an innovative comprehensive online trading platform providing execution, liquidity and competitive pricing to the fragmented fixed income marketplace, announced operating results for the quarter ended March 31, 2008.

For the quarter ended March 31, 2008, the Company reported revenue of \$27,559, loss from operations of \$1,582,741 and a net loss of \$1,593,401. The Company also reported a basic and diluted loss per share of \$0.03 for the quarter ended March 31, 2008.

"The delay in launching our private label platform, coupled with the longer sales cycle given current market conditions, has significantly impacted our first quarter earnings," stated President and CEO John Barry. "However, the private label platform is now fully operational and with the addition of key national sales executives, our platform is experiencing increased volume and traction within the marketplace."

About Bonds.com Group, Inc.

Bonds.com Group, Inc. (OTCBB: BDCG), through its subsidiary Bonds.com Inc., serves institutional and self-directed individual fixed income investors by providing a comprehensive zero subscription fee online trading platform. The Company designed the BondStation platform to provide liquidity and competitive pricing to the fragmented Over-The-Counter (OTC) fixed income marketplace.

The Company differentiates itself by offering, through its broker-dealer subsidiary Bonds.com, Inc., an inventory of over 25,000 fixed income products from a multitude of competing sources, as well as market research, investor tools, bond education and an interactive website experience. Asset classes currently offered on the BondStation fixed income trading platform include municipal bonds, corporate bonds, agency bonds, certificates of deposit (CDs) and U.S. Treasuries. With strong marketability of the domain name www.bonds.com, commitment to key advertising initiatives, an experienced management team and seasoned account managers, Bonds.com, Inc. is determined to redefine the \$29 trillion fixed income marketplace.

Investor Relations website:

<http://ir.bonds.com>

FORWARD-LOOKING STATEMENTS

The information contained herein includes forward-looking statements. These statements relate to future events or to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. The safe harbor for forward-looking statements contained in the Securities Litigation Reform Act of 1995 protects companies from liability for their forward-looking statements if they comply with the requirements of the Act.

BONDS.COM GROUP, INC.
 CONSOLIDATED BALANCE SHEETS (UNAUDITED)

ASSETS

| | March 31, 2008 | December 31, 2007 |
|--------------------------------------|-------------------|----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$647,512 | \$1,046,150 |
| Investment in certificate of deposit | 47,570 | 119,570 |
| Accrued interest receivable | 2,570 | 2,950 |
| Prepaid expenses | 40,000 | 84,260 |

| | | |
|-----------------------------|-------------|-------------|
| Total current assets | 737,652 | 1,252,930 |
| Property and equipment, net | 417,172 | 450,238 |
| Intangible assets, net | 1,287,535 | 1,292,315 |
| Other assets | 177,785 | 201,106 |
| Restricted cash | 72,000 | 72,000 |
| Total assets | \$2,692,144 | \$3,268,589 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|--|-----------|-----------|
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$759,276 | \$459,939 |
| Obligations under capital leases, current portion | 104,054 | 107,912 |
| Notes payable, related parties | 500,000 | - |
| Notes payable, other | 272,764 | 272,343 |
| Total current liabilities | 1,636,094 | 840,194 |
| Long-term liabilities: | | |
| Obligations under capital leases, net of current portion | 23,961 | 28,612 |
| Deferred rent | 21,381 | 16,277 |
| Notes payable, other, net of current portion | 44,158 | 50,010 |
| Total liabilities | 1,725,594 | 935,093 |

Commitments and contingencies

| | | |
|---|-------------|-------------|
| Stockholders' equity | | |
| Preferred stock \$0.0001 par value; 1,000,000 authorized; none issued no shares issued and outstanding | - | - |
| Common stock \$0.0001 par value; 150,000,000 authorized; 61,216,590 and 60,932,551 issued and outstanding, respectively | 6,121 | 6,093 |
| Additional paid in capital | 8,914,960 | 8,727,522 |
| Deferred compensation | (427,439) | (466,428) |
| Deficit accumulated during the development stage | (7,527,092) | (5,933,691) |
| Total stockholders' equity | 966,550 | 2,333,496 |
| Total liabilities and stockholders' equity | \$2,692,144 | \$3,268,589 |

BONDS.COM GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

| | For the Three Months Ended March 31, 2008 | For the Period From October 18, 2005 (Inception) to March 31, 2008 |
|---------------|---|--|
| Revenues: | \$27,559 | \$65,243 |
| Cost of sales | 8,249 | 14,745 |
| Gross Margin | 19,310 | 50,498 |

| | | |
|--|---------------|---------------|
| Operating expenses: | | |
| Payroll and related costs | 462,976 | 1,819,463 |
| Software | 37,366 | 767,200 |
| Legal and accounting fees | 293,593 | 1,121,002 |
| Royalties | - | 200,000 |
| Dues and subscriptions | 77,643 | 337,929 |
| Rent | 93,397 | 352,840 |
| Computer connection | 81,336 | 338,727 |
| Licenses and permits | 70,083 | 317,326 |
| Consulting | 49,204 | 232,254 |
| Investment banking advisory fees | - | 500,000 |
| Advertising | 177,272 | 271,542 |
| Travel | 22,813 | 141,328 |
| Website development costs | 3,087 | 77,857 |
| Depreciation | 38,203 | 144,700 |
| Amortization | 41,441 | 146,526 |
| Other | 153,637 | 733,085 |
| | ----- | ----- |
| Total operating expenses | 1,602,051 | 7,501,779 |
| | ----- | ----- |
| Loss from operations | (1,582,741) | (7,451,281) |
| | ----- | ----- |
| Other income (expense): | | |
| Interest income | 6,445 | 12,941 |
| Interest expense | (17,105) | (88,752) |
| | ----- | ----- |
| Total other income (expense) | (10,660) | (75,811) |
| | ----- | ----- |
| Net loss before taxes | (1,593,401) | (7,527,092) |
| | ----- | ----- |
| Income taxes | - | - |
| | ----- | ===== |
| Net loss applicable to common stockholders | \$(1,593,401) | \$(7,527,092) |
| | ===== | ===== |
| Loss per share - basic and diluted | \$(0.03) | |
| | ===== | |
| Weighted average shares outstanding basic and diluted | \$61,163,528 | |
| | ===== | |

SOURCE: Bonds.com Group, Inc.

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