

## Bonds.com Group, Inc. Reports Second Quarter 2008 Operating Results

BOCA RATON, Fla., Aug 14, 2008 (BUSINESS WIRE) -- Bonds.com Group, Inc. (the "Company") (OTCBB: BDCG) 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 June 30, 2008.

For the quarter ended June 30, 2008, the Company reported revenue of \$76,777, as compared to revenue of \$27,559 for the quarter ended March 31, 2008 - a 179% increase. The Company did not have operations for the quarter ended June 30, 2007 against which to compare. The significant increase in revenue quarter-on-quarter is principally due to the Company's change in focus from retail investors to institutions. Data collected during the quarter ended March 31, 2008 - the Company's first true quarter of operations - indicated that an institutional account is six times more valuable to the Company than a retail account. Based on this data, the Company concentrated its business on institutions in the second quarter and more than quadrupled its first quarter institutional account total, from 79 to 327. Through July 31, 2008 the Company has opened 420 institutional accounts, as compared to 83 retail accounts.

For the quarter ended June 30, 2008, the Company reported an operating loss of \$1,471,870, as compared to an operating loss of \$1,592,741 in the previous quarter - a 7% improvement.

For the quarter ended June 30, 2008, the Company reported a net loss of \$1,337,170, as compared to a net loss of \$1,593,401 in the previous quarter - a 16% improvement. During the quarter ended June 30, 2008, the Company recorded \$269,950 in non-operating income resulting from litigation settlement payments received from a technology vendor found liable for breach of certain contractual obligations.

Non-operating income was partially offset by non-operating expenses of \$102,950 resulting from the recognition of penalties due investors for failure to have a registration statement covering their shares of common stock declared effective within 150 days after the close of the Company's reverse merger transaction in December 2008. The registration statement was declared effective on July 3, 2008 and as a result the Company will incur no additional associated expenses.

For the quarter ended June 30, 2008, the Company reported a basic and diluted loss per share of \$0.02, as compared to a basic and diluted loss per share of \$0.03 in the previous quarter.

"Despite the tough market conditions and credit crunch experienced in Q1 and Q2 of this year, we are seeing expanding growth and traction," stated CEO John J. Barry, IV. "We have proven the concept: self-directed fixed income investors are looking to be empowered with execution capabilities, market information and education, at no cost. We are in the process of numerous strategic hires to increase our business development and relationship management functions to solidify our growth trend."

About Bonds.com Group, Inc.

Bonds.com Group, Inc. (OTC BB: 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 Bonds.com, Inc., an inventory of over 30,000 fixed income securities from more than 175 competing dealers, 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 unmatched marketability of the domain name [www.bonds.com](http://www.bonds.com) commitment to key advertising initiatives, experienced management team and seasoned account managers, Bonds.com, Inc. is poised to redefine the \$29 trillion fixed income marketplace.

Bonds.com Investor Relations Website:

<http://ir.bonds.com>

Bonds.com Investor Presentation

<http://files.shareholder.com/downloads/BONDS/376157423x0x219376/140da371-f5d0-4851-85ea-6d2f7f467a4d/Presentation.pdf>. (Due to its length, this URL may need to be copied/pasted into your Internet browser's address field. Remove extra spaces if they exist.)

## 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.  
Condensed Consolidated Balance Sheets (Unaudited)

ASSETS

	June 30, 2008	December 31, 2007
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Current assets:		
Cash and cash equivalents	\$155,394	\$1,046,150
Investment in certificate of deposit	47,570	119,570
Accrued interest receivable	2,670	2,950
Prepaid expenses and other current assets	192,071	84,260
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Total current assets	397,705	1,252,930
Property and equipment, net	366,458	450,238
Intangible assets, net	1,258,604	1,292,315
Other assets	154,995	201,106
Restricted cash	72,000	72,000
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Total assets	\$2,249,762	\$3,268,589
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LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

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Current liabilities:		
Accounts payable and accrued expenses	\$859,337	\$459,939
Obligations under capital leases, current portion	84,179	107,912
Notes payable, related parties	1,300,000	-
Notes payable, other	273,194	272,343
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Total current liabilities	2,516,710	840,194
Long-term liabilities:		
Obligations under capital leases, net of current portion	-	28,612
Deferred rent	26,486	16,277
Notes payable, other, net of current portion	38,197	50,010
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Total liabilities	2,581,393	935,093
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Commitments and contingencies (Note 9)

Stockholders' equity (deficit)		
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 share-based compensation	(388,450)	(466,428)
Deficit accumulated during the development stage	(8,864,262)	(5,933,691)
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Total stockholders' equity	(331,631)	2,333,496
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Total liabilities and stockholders' equity	\$2,249,762	\$3,268,589
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Bonds.com Group, Inc.

Condensed Consolidated Statements of Operations (Unaudited)

	For the Three Months Ended June 30, 2008	For the Six Months Ended June 30, 2008	For the Period From October 18, 2005 (Inception) to June 30, 2008
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Revenues	\$76,777	\$104,336	\$142,020
Cost of sales	18,666	26,915	33,411
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Gross Margin	58,111	77,421	108,609
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Operating expenses:			
Technology and communications	331,981	561,043	1,325,963
Software and support	28,170	65,536	795,370
Payroll and related costs	472,062	935,038	2,291,525
Rent and occupancy	88,905	182,302	441,745
Legal, accounting and other professional fees	280,277	623,074	2,133,533
Travel and entertainment	54,820	77,633	196,148
Marketing and advertising	105,147	282,419	376,689
Other operating expenses	75,543	232,267	886,485
Royalties	-	-	200,000
Depreciation	39,665	77,868	184,365
Amortization	53,411	94,852	199,937
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Total operating expenses	1,529,981	3,132,032	9,031,760
Loss from operations	(1,471,870)	(3,054,611)	(8,923,151)
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Other income (expense):			
Interest income	3,443	9,888	16,384
Interest expense	(35,743)	(52,848)	(124,495)
Other income	269,950	269,950	269,950
Other expense	(102,950)	(102,950)	(102,950)
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Total other income (expense)	134,700	124,040	58,889
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Net loss before taxes	(1,337,170)	(2,930,571)	(8,864,262)
Income taxes	-	-	-
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Net loss	\$(1,337,170)	\$(2,930,571)	\$(8,864,262)
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Loss per share, basic and diluted	\$(0.02)	\$(0.05)	
	=====	=====	
Weighted average shares outstanding, basic and diluted	61,216,590	61,190,059	
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SOURCE: Bonds.com Group, Inc.

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