

Press Release Archives: 08/14/2008

Itronics Reports Second Quarter Results

Gross Profit up 243 Percent; Sales up 39 Percent

RENO, NV--(MARKET WIRE)--Aug 14, 2008 -- Itronics Inc. (OTC BB:ITRO.OB - News) (Frankfurt:ITG.F - News) (Berlin:ITG.BE - News) today reported a positive gross profit for the first half 2008 of \$425,400, up from \$124,000 in the first half of 2007, an increase of 243 percent. In the first half 2008, total sales increased by 39 percent to \$1,917,000, but non-fertilizer sales increased by 65 percent and made a major contribution to improved gross profit. Operating loss in the first half was reduced by 43 percent.

The Itronics Form 10Q is now available on the U. S. Securities & Exchange Commission web site at www.sec.gov.

On a consolidated basis, gross profit in the second quarter increased to \$319,700 from \$111,000 in the same period in 2007, an increase of 188 percent. Gross profit in the first half 2008 was \$425,400, up from \$124,000 in the same period in 2007, an increase of 243 percent.

On a consolidated basis, various changes in revenues and operating expenses resulted in a second quarter 2008 operating loss of \$292,000, compared to \$622,600 for the second quarter 2007, a decrease in operating loss of \$330,600, or 53 percent.

Net income before taxes for the second quarter 2008 was \$5,552,800 compared to a net loss before taxes of \$1,235,600 for the 2007 second quarter, an improvement of \$6,788,400. The improvement is due to a combination of increased sales, reduced operating expenses, and an increased non-cash gain on derivative instruments related to the Company's financing.

For the six month period ended June 30, 2008 consolidated operating loss was \$735,300 compared to \$1,296,000 for the prior year comparable period, a decreased operating loss of \$560,600, or 43 percent.

Net income before taxes for the six months ended June 30, 2008 was \$1,194,000 compared to a net loss before taxes of \$1,704,000 for the prior year six month period, an improvement of \$2,898,000. This improvement is due to a combination of increased sales, reduced operating expenses, and an increased non-cash gain on derivative instruments related to the Company's financing.

Expansion Projects and developments completed or underway during the quarter which are described in more detail in the Company's Form 10Q, pages 30 to 38, include:

- In the second quarter 2008 the parent company of our distributor acquired a major competitor. Early in the second quarter the parent company disclosed plans to integrate the acquired company and its retail outlets into its existing retail distribution system, increasing the number of its nationwide retail outlets from more than 500 to more than 800. Our distributor will manage some of the new retail outlets opening up opportunities for increased GOLD'n GRO liquid fertilizer sales.
- High grain crop prices and high and increasing fertilizer prices are producing a need for improved fertilizers. One of the emerging needs is to be able to apply manganese fertilizer in glyphosate (Round Up) spray mixes on "Round Up Ready" corn and soybeans. Tests are underway to evaluate the suitability of GOLD'n GRO 10-0-1+3% Manganese for this use. Initial tests in the fall of 2007 produced very satisfactory result on "Round Up Ready" corn. This year Itronics is working with one of our fertilizer raw material suppliers who has put out trials on "Round Up Ready" soybeans in several states. Results are not complete, but the supplier has an extensive nationwide liquid fertilizer distribution system and is fully capable of introducing the GOLD'n GRO fertilizer in relevant markets in the midwest and southern United States where both corn and soybeans are major crops.
- In the second quarter the Company's agronomy staff was nearly

finished with a peer reviewed research summary of how GOLD'n GRO fertilizers should be able to increase the availability of phosphorous and nutrient metals applied as fertilizers to the soil for growing crops. The research, which has been done by others over a period of many years, suggests that the unique chemistry of the GOLD'n GRO fertilizers is beneficial when applied to the soil by improving the availability of phosphate and the nutrient metals including iron, zinc, manganese, calcium, and magnesium. A related benefit is that fertilizer residuals, to the extent they occur, are used as a nutrient source by soil microbes providing virtually complete use of the fertilizers.

-- Large scale applications of GOLD'n GRO 8-8-8+4% Sulfur fertilizer in drip systems on crops in the coastal areas in California are demonstrating that this fertilizer can be used safely in fertigation applications in locations that have hard water. This is not normally possible using conventional fertilizers.

-- The GOLD'n GRO nutrient technology is now providing economic and environmental benefits that are expected to drive expanded use at a time of high and increasing fertilizer prices, and greatly increased environmental concerns. Expanded use in fertigation reduces application costs and quantities required. Improved soil availability of phosphorous and nutrient metals is expected to reduce the amount of fertilizer needed to provide satisfactory plant nutrition, which produces both economic and environmental benefits.

-- The Company, working with its distributor, has completed development of a new chelated micronutrient fertilizer, "GOLD'n GRO 9-0-0 Iron Man Z." This fertilizer, which was developed in response to customer requests, fills a nutrient gap, and is targeted for use in the turf and ornamental market, and for use on vegetables, trees and vines. With addition of this chelated micronutrient, the Company now offers five chelated micronutrient fertilizers, for a total of 13 GOLD'n GRO multi-nutrient specialty fertilizers.

-- The Company has completed registration of GOLD'n GRO Guardian Deer Repellent in Nevada, Utah, Colorado, Maryland, Massachusetts, New Jersey, and Rhode Island. The Company has identified qualified distributors in several of these states.

-- In the second quarter the Company initiated photo liquid recycling service with a large national waste hauling company. This agreement is expected to provide an increase in photo liquids that will support increased GOLD'n GRO liquid fertilizer sales and that will require an increase in silver refining capacity.

-- The Company recently announced a breakthrough in the Iron (FeLix) and Sulfur (SuLix) leaching technology that it is developing which reduces the bulk volume of silver-bearing material being sent to the Company's silver refinery and increases the per melt refining capacity up to 10 times, producing a 90 percent reduction in per melt refining cost. The technology also reduces waste by recovering and converting nutrient metals into liquid form that can be used in the manufacture of the Company's GOLD'n GRO liquid fertilizers.

-- The Company believes that the FeLix and SuLix technology will be useable for processing several different types of materials, including concentrates produced by silver-zinc mines. Each type of material will require its own leaching circuit, and in certain cases where large volumes could be involved, separate processing plants may be necessary.

Itronics has the business infrastructure in place to support on-going sales growth that is being guided by the Company's eight part long term growth plan. The primary focus for sales growth is on expanding fertilizer sales which are now the driver for overall growth in the GOLD'n GRO fertilizer segment. Incremental manufacturing facility expansion to support GOLD'n GRO fertilizer production and to expand silver sales is underway.

"The projects we have underway are converting Itronics into a viable operating clean technology company with enormous growth potential," said Dr. John Whitney, Itronics President. "Probably the largest challenge we are now facing is to obtain less costly long term debt and equity financing to support our growth. We have a five year business plan and a three year funding plan. Going forward, one of management's highest priorities is to implement the Company's three year funding plan which includes restructuring its balance sheet."

Results for the three and six months ended June 30, 2008, together with comparative figures for 2007 are summarized via the following PDF:

[Results for the three and six months ended June 30, 2008, together with comparative figures for 2007](#)

About Itronics

Headquartered in Reno, Nevada, Itronics Inc. is a "Creative Clean Technology" company. Itronics, through its subsidiary, Itronics Metallurgical, Inc. is the only company with a fully permitted "Beneficial Use Photochemical, Silver, and Water Recycling" plant in the United States that can convert used photoliquids into pure silver and GOLD'n GRO liquid fertilizers. The Company also provides environmentally compatible mining technology development, project planning, and technical services to the gold mining industry. Itronics Reports 2008 2nd Quarter Results and operates the popular InsideMetals.com web site, <http://www.insidemetals.com>, which provides a value-added WORLD VIEW of Gold Producer Stocks, Mineral Producer Stocks, Junior Gold Stocks, and Junior Mineral Stocks. Itronics has received numerous domestic and international awards that recognize its ability to successfully create and implement new environmentally clean recycling and fertilizer technologies.

The Company's environmentally friendly GOLD'n GRO liquid fertilizers, which are extensively used in agriculture, can be used for lawns and houseplants, and are available, along with liquid fertilizer injectors, at the Company's "e-store" catalog at <http://goldngro.com>. The popular Silver Nevada Miner bars are available at the Company's "e-store" catalog at <http://www.itromet.com>.

VISIT OUR WEB SITE: <http://www.itronics.com>

("Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This press release contains or may contain forward-looking statements such as statements regarding the Company's growth and profitability, growth strategy, liquidity and access to public markets, operating expense reduction, and trends in the industry in which the Company operates. The forward-looking statements contained in this press release are also subject to other risks and uncertainties, including those more fully described in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update these forward-looking statements to reflect actual results, changes in risks, uncertainties or assumptions underlying or affecting such statements, or for prospective events that may have a retroactive effect.)

Contact:
Paul Knopick
888-795-6336

Source: Itronics Inc