The Amacore Group Reports Second Quarter and Six Month Financial Results

--Acquisition and Refined Marketing Strategy Result in Improved Financial Performance--

Press Release
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MAITLAND, Fla.--(BUSINESS WIRE)--The Amacore Group, Inc., (OTC BB: ACGI - News), a leader in providing membership benefit programs, insurance programs, and other innovative and high-quality benefit solutions to individuals, families and employer groups nationwide, reports financial results for the three and six months ended June 30, 2009. As previously disclosed in the company's Form 8K filed with the Securities and Exchange Commission on August 5, 2009, Amacore spun-off its Zurvita division ("Zurvita") to Red Sun Mining on July 30, 2009. Included in Amacore's three and six month financial reports is information regarding Zurvita's financial performance prior to the spin-off.

Revenue for the second quarter ending June 30, 2009 was $7.4 million compared with $7.6 million for the second quarter of 2008. The decrease in revenue for the quarter is the result of lower sales of limited medical insurance plans sold through Amacore's U.S. Health Benefits Group division. This decrease is primarily a result of current national economic factors negatively impacting consumer spending. For the six month period ended June 30, 2009, revenue was $14.9 million compared with $12.7 million in same prior year period. Six-month comparable revenue growth is attributable to the acquisition of USHBG, whose April 2008 acquisition meant it did not contribute to Amacore's first quarter results in 2008, and to the increase in strategic direct response marketing partnerships, and diversification of overall product offerings.

Gross profit for the second quarter of 2009 was $2.6 million, compared with gross profit of $2.4 million for the second quarter of 2008. Gross profit margin for the quarter was 34.5% compared with 31.0 % in last year's second quarter. The increase in gross profit and gross profit margins for the second quarter was primarily the result of the strategic acquisition of USHBG, which eliminated inter-company commission expenses, and improvements in its LifeGuard Benefit Services and Zurvita divisions' gross margins. Gross profit for the first six-months of 2009 was $5.3 million compared with $3.5 million in the year-ago comparable six-month period. Gross profit margins were 35.8%, compared with 27.2% for last year's comparable period.

Operating expenses for the second quarter of 2009 were $7.6 million, compared with operating expenses of $6.8 million for the second quarter of 2009. The increase in operating expenses resulted from increases in professional fees, accrued loss contingency, salaries, office expenses and depreciation costs, offset by decreases in selling and marketing expenses, amortization, and travel. Sales and marketing expenses were dramatically reduced because of the company's negotiation of marketing agreements with new direct response marketers that included more favorable terms to the company. For the six-month period, operating expenses were $15.0 million, compared with $12.9 million for the six-month period of 2008.

The Company's operating loss for the second quarter 2009 was $5.0 million, compared with an operating loss of $4.5 million in the second quarter of 2008. For the 2009 six-month period, the operating loss was $9.7 million, compared with an operating loss of $9.4 million in the year-ago six-month period. During the three months ended June 30, 2008, the company reversed its loss contingency accrual due to a favorable legal settlement. During the three months ended June 30, 2009, the company recorded a loss contingency accrual of approximately $1.8 million as a result of a mutual legal settlement entered into between the company and AmeriPlan on July 9, 2009. For more information on the settlement, please see the company's Form 8K filed with the Securities and Exchange Commission on July 14, 2009. Excluding the effects of the aforementioned factors, the company's loss from operations for the three and six months ended June 30, 2008 and 2009 were $7.2 million and $3.2 million, respectively, and $12.0 million and $7.9 million, respectively.

The company reported a net loss available to common stockholders for the second quarter 2009 of $1.4 million or $0.00 per share, compared with a net loss available to common stockholders of $5.7 million or $0.04 per share in the prior year's quarter. Included in net loss for the second quarter of 2009 was a $4.2 million non-cash gain on change in fair value of warrants, compared with a $760,000 non-cash loss on change in fair value of warrants in the second quarter of 2008. For the six-month period, net income included a $10.8 million non-cash gain on the change of fair value of warrants compared with an $8.9 million loss incurred during the comparable 2008 six-month period. Net loss available to shareholders for the six-month 2009 period was $19,000 or $0.00 per share, compared with a net loss available to common stockholders of $19.3 million or $0.13 per share in the same prior year period.

The company's weighted average number of common shares outstanding increased to approximately 1.0 billion as of June 30, 2009, as compared to 148 million as of June 30, 2008. For the first six months of 2009 the number of shares outstanding was approximately 1.0 billion, compared with 144 million in the year-ago six month period. This increase is mainly attributable to certain preferred stock conversions which occurred in December 2008. The company ended the June 30, 2009 quarter with $2.7 million in cash on hand, compared with $238,000 in cash on hand as of December 31, 2008. The favorable increase in the company's cash position is a result of an equity investment by its majority shareholder on June 29, 2009 in the amount of $4.5 million. For the six months ended June 30, 2009, the company received equity investments from its majority shareholder totaling $12.5 million.

Net cash used to fund the company's operating activities decreased by $3.6 million to $8.3 million for the six month period ending June 30, 2009 as compared to same prior year period. The primary factor leading to this decrease is due to reduced customer acquisition costs being incurred by the company. The company has focused its efforts on contracting with direct response marketers whose commission payment structures compensate based upon net sales. Net cash used in operations decreased 29%, or $1.4 million, from the preceding quarter ended March 31, 2009 to $3.4 million as a result of the company's continuing cost reduction efforts.

Commenting on the financial reports, Jay Shafer, Chairman and Chief Executive Officer of Amacore Group, said: "The Amacore team aggressively continues its mission of increasing revenue and seeking efficiencies and cost reductions to improve our bottom line. To that end, we have implemented new, more favorable marketing agreements, transitioned and refined business operations across all divisions, and implemented staff reductions throughout our organization. During the second quarter alone, our marketing and sales expenses were reduced by approximately 45% over last year's second quarter because of our ability to negotiate more favorable terms for our agreements and to open new, more efficient marketing channels. On the operating expense side, the recent staff reductions are expected to decrease salary and benefits costs by approximately 18%, or $450,000 each quarter. Our 17% increase in revenue for the first six months of 2009 reflects the successful results of our acquisition and our refined marketing strategy. Amacore will continue to focus on efforts that will result in improved profitability and increased shareholder value."

Shafer continued, "Our decision to spin-off Zurvita was driven by the fact that its business model fundamentally differed from that of Amacore. And, although it contributed to our revenue stream, the cash required to operate this dynamic and entrepreneurial company was impacting Amacore's ability to achieve overall profitability. We are pleased to be able to share in Zurvita's success through Amacore's significant equity ownership and shared interests in the new company. There is much more to come from the Amacore-Zurvita relationship."

Regarding the financials and the Zurvita spin-off, Amacore President Guy Norberg added, "Amacore is following a disciplined and targeted strategy that balances growth and expansion with innovation and the pursuit of efficient and cost-effective operations. The first two quarters of 2009 have represented significant and sometimes difficult decisions in furtherance of that strategy, but our management team and our staff have great confidence that these efforts will yield lasting results to the benefit of our shareholders and investors."

About The Amacore Group, Inc. (www.amacoregroup.com)

The Amacore Group, Inc. is primarily a provider and marketer of healthcare related products, including healthcare benefits, vision and dental networks, and administrative services such as billing, fulfillment, patient advocacy, claims administration and servicing. The Company primarily markets healthcare-related membership programs such as limited and major medical programs, supplemental medical and discount dental programs to individuals and families. It distributes these products and services through various distribution methods such as its agent network, direct response marketing companies, DRTV (Direct Response TV), inbound call centers, in-house sales representatives, network marketing and affinity marketing partners. The Company's secondary line of business is to place membership programs through these same marketing channels. These membership programs utilize the same back office and systems creating marketing efficiencies to provide low cost ancillary products such as pet insurance, home warranty, involuntary unemployment insurance, and accident insurance.

This press release contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, including anticipated growth and geographic expansion, new products and services, new business development and opportunities, anticipated revenues, possible reduction or elimination of material weaknesses, anticipated revenue growth, expenses, profitability, losses and profit margins. In some cases, you may identify forward-looking statements by words such as "may," "should," "plan," "intend," "potential," "continue," "believe," "expect," "predict," "anticipate" and "estimate," the negative of these words or other comparable words. These statements are only predictions. One should not place undue reliance on these forward-looking statements. The forward-looking statements are qualified by their terms and/or important factors, many of which are outside the Company's control, involve a number of risks, uncertainties and other factors that could cause actual results and events to differ materially from the statements made. The forward-looking statements are based on the Company's beliefs, assumptions and expectations of the Company's future performance, taking into account information currently available to the Company. These beliefs, assumptions and expectations can change as a result of many possible events or factors, including those events and factors described in "Risk Factors" in the Company's Annual Report on Form 10-KSB for 2008 filed with the Securities and Exchange Commission, not all of which are known to the Company. The Company will update the information in this press release only to the extent required under applicable securities laws. If a change occurs, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in the aforementioned forward-looking statements.

THE AMACORE GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended, June 30		For the Six Months Ended, June 30	
	2009	2008	2009	2008
REVENUES				
Commissions	$ 337,576	$ 542,002	$ 751,540	$ 678,745
Marketing fees and materials	840,258	470,213	1,576,316	737,311
Membership fees	6,263,555	6,575,425	12,550,059	11,320,732
Total revenues	7,441,389	7,587,640	14,877,915	12,736,788
COST OF SALES				
Benefit and service cost	1,089,369	1,604,012	2,184,622	2,897,890
Sales commissions	3,785,956	3,630,820	7,361,893	6,372,152
Total cost of sales	4,875,325	5,234,832	9,546,515	9,270,042
GROSS PROFIT	2,566,064	2,352,808	5,331,400	3,466,746
OPERATING EXPENSES				
Amortization	257,139	1,001,142	598,730	1,715,171
Depreciation	114,853	78,922	224,225	125,902
Office related expenses	579,236	554,139	1,285,983	912,782
Payroll and employee benefits	2,405,069	2,280,438	4,712,298	4,103,691
Professional fees and accrued loss contingency	2,603,449	(163,620)	4,634,268	557,533
Selling and marketing	1,518,654	2,739,775	3,348,581	4,827,832
Travel	80,421	337,756	219,357	639,385

Total Operating Expenses	7,558,821	6,828,552	15,023,442	12,882,296
Loss from operations before other income and expense	(4,992,757)	(4,475,744)	(9,692,042)	(9,415,550)
OTHER INCOME (EXPENSE)				
Gain (loss) on change in fair value of warrants	4,160,361	(760,178)	10,779,156	(8,910,178)
Interest expense	(74,149)	(94,633)	(154,635)	(130,170)
Interest income	1,263	2,241	4,260	17,113
Loss on conversion of note payable	-	-	-	(242,647)
Other	6	5,718	14,407	7,713
Total other income (expense)	4,087,481	(846,852)	10,643,188	(9,258,169)
Net income (loss) before income taxes	(905,276)	(5,322,596)	951,146	(18,673,719)
Income taxes	-	-	-	-
Net income (loss)	(905,276)	(5,322,596)	951,146	(18,673,719)
Preferred stock dividend and accretion	(522,278)	(388,969)	(970,445)	(664,075)
Net loss available to common stockholders	$ (1,427,554)	$ (5,711,565)	$ (19,299)	$ (19,337,794)
Basic and diluted earnings (loss) per share	$ (0.00)	$ (0.04)	$ (0.00)	$ (0.13)
Basic and diluted weighted average number of common shares outstanding	1,027,731,258	147,549,553	1,020,633,200	144,235,116

THE AMACORE GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2009	December 31, 2008
ASSETS		
Current assets		
Cash	$ 2,676,123	$ 238,437
Accounts receivable	613,016	612,945
Non-trade receivables - related party	17,481	26,699
Inventory	23,891	23,891
Deferred expenses	2,841,144	2,816,952
Deposits and advances	-	287,130
Total current assets	6,171,655	4,006,054
Property, plant and equipment (net of accumulated depreciation of $671,934 and $447,709 for 2009 and 2008, respectively)	1,154,252	863,537
Deferred customer acquisition costs	329,883	407,297
Goodwill and other intangible assets	9,171,196	9,744,891
Deposits and other assets	1,708,966	2,172,321
Total assets	$ 18,535,952	$ 17,194,100
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 2,308,694	$ 3,064,721
Accounts payable - related party	485,013	524,633
Loans and notes payable	912,209	1,059,373
Notes payable - related party	818,592	833,092
Accrued expenses and other liabilities	2,835,186	2,429,315
Deferred compensation - related party	87,144	82,954
Deferred acquisition payments	962,500	472,670
Deferred revenue	2,575,682	2,752,365
Total current liabilities	10,985,020	11,219,123
Capital lease obligation	244,311	52,900
Deferred acquisition payments	359,000	648,399
Deferred compensation - related party	270,727	315,364

Accrued dividends	1,847,851	879,575
Fair value of warrants	8,121,833	13,315,364
Total liabilities	21,828,742	26,430,725
Stockholders' Deficit		
Preferred Stock, $.001 par value, 20,000,000 shares authorized;		
Series G mandatorily convertible preferred stock; 1,200 shares authorized;		
1,200 shares issued and outstanding for 2009 and 2008.	1	1
Series H mandatorily convertible preferred stock; 400 shares authorized;		
400 shares issued and outstanding for 2009 and 2008.	-	-
Series I mandatorily convertible preferred stock; 10,000 shares authorized;		
1,650 and 850 shares issued and outstanding for 2009 and 2008, respectively.	2	-
Series L mandatorily convertible preferred stock; 10,000 shares authorized;		
450 and 0 shares issued and outstanding for 2009 and 2008, respectively.	-	-
Series A mandatorily convertible preferred stock; 1,500 shares authorized;		
155 shares issued and outstanding for 2009 and 2008.	-	-
Common Stock A, $.001 par value, 1,360,000,000 shares authorized; 1,028,864,296		
and 1,008,806,919 shares issued and outstanding for 2009 and 2008, respectively.	1,028,864	1,008,807
Common Stock B, $.001 par value, 120,000,000 shares authorized; 200,000		
shares issued and outstanding for 2009 and 2008.	200	200
Additional paid-in capital	115,238,453	109,295,378
Accumulated deficit	(119,560,310)	(119,541,011)
Total stockholders' deficit	(3,292,790)	(9,236,625)
Total liabilities and stockholders' deficit	$ 18,535,952	$ 17,194,100

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