



## **International Isotopes Inc.**

### **FOR IMMEDIATE RELEASE:**

March 31, 2015

### **INTERNATIONAL ISOTOPES INC. ANNOUNCES 2014 YEAR END FINANCIAL RESULTS**

*10% increase in revenue for period ended December 31, 2014 as compared to same period in 2013*

**IDAHO FALLS, IDAHO, March 31, 2015.** International Isotopes Inc. (OTCQB: INIS) (the “Company”) announces the financial results for fiscal year ended December 31, 2014. The Company reports a 10% increase in revenue, a 37% decrease in net loss, and positive cash flow for the year ended December 31, 2014.

#### *Revenue*

Total revenue in 2014 was approximately \$7.5 million compared to approximately \$6.8 million in 2013, which represents an increase of approximately 10%. With the exception of the radiological services segment, our three other major business segments all reported a significant increase in net profit percentage over 2013 as well as an increase in total revenue. These major business segments are Radiochemical Products, Nuclear Medicine Standards, and Cobalt Products.

Sales of Radiochemical Products accounted for approximately 23% and 24% of our total sales revenue in 2014 and 2013 respectively. Revenue in this segment was approximately \$1.7 million in 2014 compared to approximately \$1.6 million in 2013, an increase of approximately 6%. For 2014, net income increased by approximately 64% over net profit for 2013 as a result of cost control measures, a change in our distribution approach and process efficiencies that were implemented.

Sales of Nuclear Medicine Standards accounted for approximately 43% and 47% of the Company’s total sales revenue in 2014 and 2013, respectively. Sales in this segment increased by approximately 1% in 2014, as compared to 2013. This year-to-year comparison includes sales from TI Services, LLC, a 50/50 joint venture the Company formed with RadQual, LLC in December 2010, to distribute products and services for nuclear medicine, nuclear cardiology, and Positron Emission Tomography (PET) imaging. TI Services, LLC sales for 2014 were approximately \$1.3 million as compared to approximately \$1.5 million for 2013, a decrease of approximately 13%. This decrease in TI Services, LLC sales is largely attributable to a drop in sales of paper products used in nuclear medicine imaging which is the result of clinics shifting towards maintaining electronic records. The Company is working closely with RadQual, LLC, to develop new products to market through TI Services, LLC and to make further reductions in operating expense. For example, in April 2014, the Company



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launched sales of a new lightweight flood source, the Rad-Lite. As a result during 2014, sales of flood sources increased by approximately 13%.

Sales of Cobalt Products accounted for approximately 24% and 16% of the Company's total sales revenue in 2014 and 2013, respectively. Sales of Cobalt Products increased by approximately 66% in 2014, as compared to 2013. The increase in revenue in this segment was attributable to the resumption of sealed source production which was made possible through the resumption of cobalt transfers from the U.S. Department of Energy (DOE) Idaho test reactor.

Revenues from our Radiological Services segment accounted for approximately 8% and 11% of our total sales revenue in 2014 and 2013, respectively. The Radiological Services segment was the only major business segment seeing a decline in revenue between 2014 and 2013. Sales in this segment decreased to approximately \$620,000 in 2014, compared to approximately \$764,000 in 2013, a decrease of approximately 19%. Gemstone processing accounted for approximately 34% of Radiological Services sales in 2014 and approximately 40% in 2013. Revenues from gemstone processing decreased approximately 31% between 2014 and 2013. Revenue from field services also decreased about 11% between 2014 and 2013. The decrease in gemstone processing was attributed to normal fluctuations in the market demand for that product. The decrease in radiological field services is largely attributable to the timing of contract activities.

### ***Cost of Revenue and Gross Profit***

Our total cost of revenue for 2014 was approximately \$4.5 million as compared to approximately \$4.3 million in 2013, an increase of approximately 6%. Our gross profit percentage increased to 40% for 2014, from 37% in 2013. During 2014, we continued to monitor and control direct costs. We were able to cut some freight costs by using our own transportation vehicles for some higher cost, cross-country shipments of material. We also became the direct distributor of all of our sodium iodide products. With the exception of the cost of cobalt material, we are not aware of any future price increases that may potentially affect our cost of revenues.

### ***Operating Costs and Expenses***

Total operating costs and expenses for 2014 was approximately \$3.8 million, as compared to approximately \$4.6 million in 2013, representing a decrease of approximately 19%. The decrease in operating costs was the result of a 6% reduction in salaries and contract labor and a 24% reduction in General Administrative and Consulting expenses due to an adjustment to accretion expense and a loss on the sale of assets in 2013. There was also a 34% reduction in research and development expense in 2014 compared to 2013 as a result of limiting investment in the planned de-conversion facility. During both 2014 and 2013, funding for this project was limited; consequently, we limited additional investment in the project to expenses necessary to maintain licensing and continued interactions with New Mexico and Lea County. We will continue to delay further engineering work



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on the de-conversion project until we are able to secure additional contracts for de-conversion services.

### *Net Loss*

Our Net Loss was approximately \$1.5 million in 2014, compared to a Net Loss of approximately \$2.5 million in 2013. This is a decrease in loss of approximately 37%. Our decrease in net loss is the result

of increased revenue in three of our six business segments and the decrease in overall operating expenses. During 2013, we recorded a \$307,402 net loss on sales of assets sold or scrapped as a result of closing our FEP pilot facility in Idaho Falls, ID, and recorded a \$193,982 inventory write-off expense related to older, low-activity cobalt targets which we determined to have impaired market value due to their age and physical condition. We did not record similar expenses in 2014.

### *Liquidity and Capital Resources*

On December 31, 2014, we had cash and cash equivalents of \$558,541 compared to \$456,374 at December 31, 2013. Net cash provided by operating activities was \$339,808 in 2014, compared to net cash used in operating activities of \$1,393,898 in 2013. This represents an increase in net cash from operating activities of \$1,733,706 in the period comparison.

Steve Laflin, President and CEO of the Company said, "We believe that fiscal year 2014 is indicative of the kind of revenue growth and improved cash performance this company is capable of achieving. While we have continued to face technical and regulatory challenges within some of our segments, our improvement in gross profit percentage, reduction in net loss, and production of positive cash flow from operations are all good indicators about the Company's future course of business performance."

"We intend to continue to push for the launch of new business opportunities and products in the years going forward to ensure sustained positive cash flows. The new ten-year cobalt production agreement with the Department of Energy is expected to allow the Company to assume a major role in global supply of high specific activity cobalt. Our plans to introduce new products in the radiochemical segment should allow for significant growth within that segment in the coming years. Both the expansion of the type of sealed sources the Company plans to distribute beginning in 2016, and the increased use of our mobile hot cell for source recovery activities, should make major contributions towards increased revenue within our field services segment. The Company intends to continue to delay further engineering work on the de-conversion project until we are able to secure additional contracts for depleted uranium de-conversion services. Nonetheless, we are still confident



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that this project represents a very significant future business opportunity and we intend to continue to keep the Company positioned to resume work on that project at the proper time.”

<b>International Isotopes Inc.</b>				
<b>Year Ended December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
			<b>Change</b>	<b>Change</b>
Sale of Product	\$ 7,536,860	\$ 6,849,150	\$ 687,710	10%
Gross Profit	\$ 2,977,115	\$ 2,535,607	\$ 441,508	17%
Total Operating Expense	\$ 3,762,999	\$ 4,633,860	\$ (870,861)	-19%
Operating Loss Before Other Exp.	\$ (785,884)	\$ (2,098,253)	\$ 1,312,369	-63%
Other Expense	\$ (753,347)	\$ (387,309)	\$ (366,038)	95%
Net Loss	\$ (1,545,077)	\$ (2,461,845)	\$ 916,768	-37%
Net (Loss) Per Common Share	\$0.00	\$ (0.01)		
Weighted Ave. Sh. Outstanding	369,334,615	365,201,905		

### About International Isotopes Inc.

International Isotopes Inc. manufactures a full range of nuclear medicine calibration and reference standards, a variety of cobalt-60 products, provides a wide selection of radioisotopes and radiochemicals for medical devices, calibration, clinical research, and industrial applications, and provides radiological services including source installation/removal, and decommissioning various radiation units on a contract basis to clients.

### International Isotopes Inc. Safe Harbor Statement

Certain statements in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements with respect to our ability to further improve business performance including cash flows, the Company ability to deal with regulatory issues, the Company ability to launch new products, forecasts for revenue attributed to enhanced capabilities, and the Company ability to resume work on the depleted uranium de-conversion project. Information contained in such forward-looking statements is based on current expectations and is subject to change. These statements involve a number of risks, uncertainties and other factors that could cause actual results, performance or achievements of International Isotopes Inc. to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Other factors, which could materially affect such forward-looking statements, can be found in International Isotopes Inc.'s filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov), including our Annual Report on Form 10-K for the year ended December 31, 2014. Investors,



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potential investors, and other readers, are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and International Isotopes, Inc. undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

**FOR MORE INFORMATION CONTACT:**

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