

# INTELLICHECK MOBILISA®

*Leading the way in Identity and Wireless Solutions*

## FOR IMMEDIATE RELEASE

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## INTELLICHECK MOBILISA ANNOUNCES 2010 FOURTH QUARTER AND YEAR END FINANCIAL RESULTS

**Conference Call Scheduled for Today,  
Tuesday, March 8, at 1:00 p.m. ET/10:00 a.m. PT**

**Port Townsend, WA** – March 8, 2011: [Intellicheck Mobilisa](http://www.icmobil.com) (NYSE Amex: IDN) has released its financial results for the fourth quarter and year ended December 31, 2010.

Revenues for quarter ended December 31, 2010 increased 18% to \$3,046,567 compared to \$2,577,071 in the same period of the previous year. Adjusted EBITDA was \$(253,795) for the fourth quarter of 2010 compared to \$(194,216) for the fourth quarter of 2009. Net loss for the three months ended December 31, 2010 was \$641,844 or \$(0.02) per diluted share compared to a net loss of \$573,571 or \$(0.02) per diluted share for the three months ended December 31, 2009. The company's backlog, which represents non-cancelable sales orders for products not yet shipped and services to be performed, was approximately \$2.8 million at December 31, 2010, compared to \$6.7 million at December 31, 2009.

For the year ended December 31, 2010, revenues decreased 1% to \$12,291,551 compared to revenues of \$12,414,579 reported in the same period of the prior year. Adjusted EBITDA for the 2010 decreased to \$(938,934) compared to \$979,827 in 2009. Net loss increased to \$2,573,223 or \$(0.10) per diluted share for the year ended December 31, 2010, compared to a net loss of \$525,515 or \$(0.02) for the year ended December 31, 2009.

A significant percentage of the 2010 net loss came from non-recurring costs including litigation, acquisition related and costs associated with relocating and expanding our facilities.

Dr. Nelson Ludlow, CEO of Intellicheck Mobilisa commented, "Over the last year, we have added new sales and business development people, additional scientists and engineers, and invested in development of new products. The fruits of our labor are starting to show, as evidenced by an 18% increase in Q4 revenue. We welcome investors to join us on today's conference call to learn about our new technologies and the direction we are heading."

### Conference Call Information

IDN will host a conference call for members of the investment community today at 1:00 p.m. Eastern / 10:00 a.m. Pacific Time. Interested parties dial (877) 407-8037 approximately ten minutes before the scheduled beginning. For callers outside the U.S., please dial (201) 689-8037. For those unable to participate in the live conference, a recording will be available for forty-eight hours after the call. The rebroadcast can be accessed by dialing 877-660-6853 and 201-612-7415 for international callers. The account access code is 327 and replay ID is 366276. After the forty-eight hour window, please visit the investor relations portion of the company website at [www.icmobil.com](http://www.icmobil.com) for rebroadcast.

### About Intellicheck Mobilisa

Intellicheck Mobilisa is a leading technology company, developing and marketing wireless technology and identity systems for various applications including: mobile and handheld wireless devices for the government, military and commercial markets. Products include the Defense ID system, an advanced ID card access control product currently

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protecting over 80 military and federal locations, and ID-Check, patented technology that instantly reads, analyzes, and verifies encoded data in magnetic stripes and barcodes on government-issue IDs from U.S. and Canadian jurisdictions, for the financial, hospitality and retail sectors.

For more news and information on Intellicheck Mobilisa, Inc., please visit [www.IRGnews.com/coi/IDN](http://www.IRGnews.com/coi/IDN) where you can find the CEO's video, a fact sheet on the company, investor presentations, and more or visit our website at [www.icmobil.com](http://www.icmobil.com).

### **Safe Harbor Statement**

Certain statements in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. When used in this press release, words such as "will," "believe," "expect," "anticipate," "encouraged," and similar expressions, as they relate to the company or its management, as well as assumptions made by and information currently available to the company's management identify forward-looking statements. Actual results may differ materially from the information presented here. Additional information concerning forward-looking statements is contained under the heading of risk factors listed from time to time in the company's filings with the SEC. We do not assume any obligation to update the forward-looking information.

### **Adjusted EBITDA**

Intellicheck Mobilisa uses Adjusted EBITDA as a non-GAAP financial performance measurement. Adjusted EBITDA is calculated by adding back to net income (loss) interest, income taxes, impairments of long-lived assets and goodwill, depreciation, amortization and stock-based compensation expense. Adjusted EBITDA is provided to investors to supplement the results of operations reported in accordance with GAAP. Management believes that Adjusted EBITDA provides an additional tool for investors to use in comparing Intellicheck Mobilisa financial results with other companies that also use Adjusted EBITDA in their communications to investors. By excluding non-cash charges such as impairments of long-lived assets and goodwill, amortization, depreciation and stock-based compensation, as well as non-operating charges for interest and income taxes, investors can evaluate the Company's operations and can compare its results on a more consistent basis to the results of other companies. In addition, adjusted EBITDA is one of the primary measures management uses to monitor and evaluate financial and operating results.

Intellicheck Mobilisa considers Adjusted EBITDA to be an important indicator of the Company's operational strength and performance of its business and a useful measure of the Company's historical operating trends. However, there are significant limitations to the use of Adjusted EBITDA since it excludes interest income and expense, impairments of long lived assets and goodwill, stock based compensation expense, all of which impact the Company's profitability, as well as depreciation and amortization related to the use of long term assets which benefit multiple periods. Intellicheck Mobilisa believes that these limitations are compensated by providing Adjusted EBITDA only with GAAP net income (loss) and clearly identifying the difference between the two measures. Consequently, Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) presented in accordance with GAAP. Adjusted EBITDA as defined by the Company may not be comparable with similarly named measures provided by other entities. A reconciliation of Adjusted EBITDA to GAAP net income or loss is included in the enclosed schedule.

**INTELLICHECK MOBILISA, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended December 31,		Year Ended December 31,	
	(Unaudited)			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
REVENUES	\$ 3,046,567	\$ 2,577,071	\$ 12,291,551	\$ 12,414,579
COST OF REVENUES	<u>(1,043,260)</u>	<u>(932,811)</u>	<u>(4,297,158)</u>	<u>(4,329,349)</u>
Gross profit	2,003,307	1,644,260	7,994,393	8,085,230
OPERATING EXPENSES				
Selling	687,922	481,521	2,380,979	2,018,366
General and administrative	1,212,492	1,032,964	5,181,005	3,873,348
Research and development	<u>742,248</u>	<u>693,375</u>	<u>2,979,047</u>	<u>2,710,078</u>
Total operating expenses	2,642,662	2,207,860	10,541,031	8,601,792
Loss from operations	(639,355)	(563,600)	(2,546,638)	(516,562)
OTHER INCOME (EXPENSE)				
Interest income	11	29	87	2,443
Interest expense	(2,500)	(10,000)	(24,808)	(10,000)
Other expense	<u>-</u>	<u>-</u>	<u>(1,864)</u>	<u>(1,396)</u>
	<u>(2,489)</u>	<u>(9,971)</u>	<u>(26,585)</u>	<u>(8,953)</u>
Net loss	<u>\$ (641,844)</u>	<u>\$ (573,571)</u>	<u>\$ (2,573,223)</u>	<u>\$ (525,515)</u>
PER SHARE INFORMATION				
Net loss per common share -				
Basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.10)</u>	<u>\$ (0.02)</u>
Weighted average common shares used in computing per share amounts -				
Basic and diluted	<u>26,990,708</u>	<u>26,208,708</u>	<u>26,645,897</u>	<u>25,673,015</u>

## CONDENSED CONSOLIDATED BALANCE SHEETS

### ASSETS

	December 31, 2010	December 31, 2009
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,488,904	\$ 3,008,472
Accounts receivable, net of allowance of \$1,651 and \$7,486 as of December 31, 2010 and 2009, respectively	2,905,794	2,213,586
Inventory	17,524	43,706
Other current assets	<u>115,195</u>	<u>257,531</u>
Total current assets	4,527,417	5,523,295
PROPERTY AND EQUIPMENT, net	570,613	482,077
GOODWILL	12,308,661	12,258,661
INTANGIBLE ASSETS, net	6,494,134	7,445,234
OTHER ASSETS	<u>73,051</u>	<u>48,905</u>
Total assets	<u>\$23,973,876</u>	<u>\$25,758,172</u>

### LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 366,924	\$ 263,901
Accrued expenses	858,058	704,659
Deferred revenue, current portion	1,935,144	1,911,022
Notes payable, current portion	<u>193,333</u>	<u>386,667</u>
Total current liabilities	3,353,459	3,266,249
<b>OTHER LIABILITIES</b>		
Deferred revenue, long-term portion	709,378	729,449
Deferred rent	125,426	-
Notes payable, long-term portion	<u>-</u>	<u>183,333</u>
Total liabilities	4,188,263	4,179,031
<b>STOCKHOLDERS' EQUITY</b>	<u>19,785,613</u>	<u>21,579,141</u>
Total liabilities and stockholders' equity	<u>\$23,973,876</u>	<u>\$25,758,172</u>

**RECONCILIATION OF ADJUSTED EBITDA TO NET LOSS**  
(Unaudited)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net loss	\$ (641,844)	\$ (573,571)	\$ (2,573,223)	\$ (525,515)
Reconciling items:				
Interest – net	2,489	9,771	24,721	7,557
(Benefit) provision for income taxes	-	-	-	-
Depreciation and amortization	283,878	269,417	1,135,743	978,055
Stock-based compensation	<u>101,682</u>	<u>100,167</u>	<u>473,825</u>	<u>519,730</u>
Adjusted EBITDA	<u>\$ (253,795)</u>	<u>\$ (194,216)</u>	<u>\$ (938,934)</u>	<u>\$ 979,827</u>