



FOR IMMEDIATE RELEASE

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Visualant Revenues Jump 100% for the Three Months Ended March 31, 2011

SEATTLE--([BUSINESS WIRE](#))-- Visualant, Inc. (OTCBB:VSUL):

Summary of Operating Results from Continuing Operations

Visualant, Inc. (VSUL.OB) announced the following results for the three months ended March 31, 2011, as compared to the three months ended March 31 2010:

- Revenues- increased 100% to \$2,866,000 from \$0.
- Gross profit- increased 100% to \$345,000 from \$0.
- Net loss was \$520,000 as compared to \$231,000 for the same quarter in 2010. The loss was due to costs to expand its investor base and annual share issuances to directors.
- Net loss per share was \$.01 per share as compared to \$.01 per share from the same quarter in 2010.
- Cash flow provided by operations was \$928,000 as compared to \$(145,000).

Key Accomplishments

- Successfully licensed the Visualant Spectral Pattern Matching (“SPM”) Technology for environmental applications to Javelin LLC.
- Entered into a Letter of Intent to acquire Eagle Technologies, Inc. and commenced due diligence with an anticipated closing during the three months ended June 30, 2011.
- Entered into a consulting agreement with Lance Gima, retired former head of the State of California Forensics’ Laboratory to pursue forensic applications of the SPM technology.
- Secured additional institutional funding from Seaside 88 Advisors LLC.

- Continued development of Visualant's SPM technology and demonstrated the technology at leading industry trade shows.

The company's CEO, Ron Erickson, said, "We are pleased to announce that our 100% subsidiary, TransTech Systems, Inc., reported strong revenues for the three months ended March 31, 2011. With their continuing growth through their 300 plus dealer channel and direct relationship with major clients, we expect TransTech to continue to report strong revenues. In the coming months we should see further revenue growth with our planned acquisitions and the movement into the marketplace of our SPM technology."

About Visualant, Inc.

Visualant, Inc. (OTCBB:VSUL and www.visualant.net) develops low-cost, high speed, light-based security and quality control solutions for use in homeland security, anti-counterfeiting, forgery/fraud prevention, brand protection and process control applications. Our patent-pending technology uses controlled illumination with specific bands of light, to establish a unique spectral signature for both individual and classes of items. When matched against existing databases, these spectral signatures allow precise identification and authentication of any item or substance. This breakthrough optical sensing and data capture technology is called Spectral Pattern Matching ("SPM"). SPM technology can be miniaturized and is easily integrated into a variety of hand-held or fixed mount configurations, and can be combined in the same package as a bar-code or biometric scanner.

Through its wholly owned subsidiary, TransTech Systems, Inc., (www.ttsys.com) the Company provides security and authentication solutions to security and law enforcement markets throughout the United States.

Safe Harbor Statement

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This press release contains 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) regarding us and our business, financial condition, results of operations and prospects. Forward-looking statements in this press release reflect the good faith judgment of our management and are based on facts and factors currently known to us. Forward-looking statements are subject to risks and uncertainties, and actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements as a result of either the matters set forth or incorporated in this press release generally or certain economic and business factors, some of which may be unknown to and/or beyond the control of Visualant, Inc. Specifically, we are exposed to various risks related to our need for additional financing to support our technology development, the sale of a significant number of our shares of common stock could depress the price of our common stock, acquiring or investing in new businesses and ongoing operations, we may incur losses in the future and the market price of our common stock may be volatile. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. We do not undertake, and we expressly disclaim, any obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of the press release.

VISUALANT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS	March 31, 2011 (unaudited)	September 30, 2010 (audited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,025,485	\$ 83,937
Accounts receivable, net of allowance of \$16,750 and \$16,750, respectively	641,538	883,567
Prepaid expenses	104,650	54,386
Inventories	502,240	622,770
Refundable tax assets	6,172	8,581
Total current assets	2,280,085	1,653,241
 EQUIPMENT, NET	 549,080	 588,060
OTHER ASSETS		
Intangible assets, net	819,704	918,069
Goodwill	983,645	983,645
Investment in Novabeam, Inc.	50	50
Other assets	1,091	1,091
TOTAL ASSETS	\$ 4,633,655	\$ 4,144,156
 LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 2,173,517	\$ 1,432,074
Accounts payable - related parties	25,917	149,932
Accrued expenses	254,077	169,364
Accrued expenses - related parties	775,886	766,284
Convertible notes payable, net of debt discount of \$11,153 at 9/30/10	350,000	288,847
Note payable - current portion of long term debt	883,097	1,513,495
Total current liabilities	4,462,494	4,319,996
 LONG TERM LIABILITIES:		
Long term debt	1,670,014	1,675,978
 STOCKHOLDERS' DEFICIT:		
Preferred stock - \$0.001 par value, 50,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock - \$0.001 par value, 200,000,000 shares authorized, 41,461,790 and 38,229,374 shares issued and outstanding at 3/31/11 and 9/30/10, respectively	41,462	38,229
Additional paid in capital	7,965,994	6,835,647
Accumulated deficit	(9,554,048)	(8,774,277)
Total stockholders' deficit	(1,546,592)	(1,900,401)
Noncontrolling interest	47,739	48,583
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 4,633,655	\$ 4,144,156

VISUALANT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended,		Six Months Ended,	
	March 31, 2011 (unaudited)	March 31, 2010 (unaudited)	March 31, 2011 (unaudited)	March 31, 2010 (unaudited)
REVENUE	\$ 2,866,289	\$ -	\$ 4,934,154	\$ -
COST OF SALES	2,521,396	-	4,176,056	-
GROSS PROFIT	344,893	-	758,097	-
RESEARCH AND DEVELOPMENT EXPENSES	6,000	24,000	12,000	47,500
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	831,379	181,494	1,477,830	331,569
OPERATING LOSS	<u>(492,486)</u>	<u>(205,494)</u>	<u>(731,733)</u>	<u>(379,069)</u>
OTHER INCOME (EXPENSE):				
Interest expense	(40,973)	(25,622)	(101,726)	(37,685)
Other income	14,384	-	55,252	-
Total other expense	<u>(26,589)</u>	<u>(25,622)</u>	<u>(46,474)</u>	<u>(37,685)</u>
LOSS BEFORE INCOME TAXES	(519,075)	(231,116)	(778,207)	(416,754)
Income taxes - current benefit	<u>(5,163)</u>	-	<u>(6,172)</u>	-
NET LOSS	(513,912)	(231,116)	(772,036)	(416,754)
NONCONTROLLING INTEREST	<u>6,089</u>	-	<u>7,737</u>	-
NET LOSS ATTRIBUTABLE TO VISUALANT, INC. AND SUBSIDIARIES COMMON SHAREHOLDERS	<u>\$ (520,001)</u>	<u>\$ (231,116)</u>	<u>\$ (779,773)</u>	<u>\$ (416,754)</u>
Basic and diluted loss per common share attributable to Visualant, Inc. and subsidiaries common shareholders-				
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average shares of common stock outstanding- basic and diluted	39,662,497	29,862,707	38,946,072	29,537,024

VISUALANT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended,	
	March 31, 2011 (unaudited)	March 31, 2010 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (779,773)	\$ (416,754)
Adjustments to reconcile net loss to net cash (used in) operating activities		
Depreciation and amortization	149,997	-
Issuance of capital stock and warrants for services and expenses	530,827	49,000
Stock based compensation	3,901	70,607
Amortization of debt discount	-	18,378
Loss on sale of assets	(2,671)	-
Changes in operating assets and liabilities:		
Accounts receivable	242,030	-
Prepaid expenses	(50,265)	(2,083)
Inventory	120,530	-
Other assets	2,409	-
Minority interest	(843)	-
Accounts payable - trade and accrued expenses	711,746	135,844
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	927,888	(145,008)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(7,129)	-
Proceeds from sale of equipment	8,299	-
NET CASH (USED IN) INVESTING ACTIVITIES:	1,170	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on line of credit	(642,462)	-
Proceeds from notes payable	22,479	-
Proceeds from the issuance of common stock	548,852	-
Repayments of capital leases	(16,379)	-
Proceeds from the issuance of convertible debt	100,000	250,000
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	12,490	250,000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	941,548	104,992
CASH AND CASH EQUIVALENTS, beginning of period	83,937	5,325
CASH AND CASH EQUIVALENTS, end of period	\$ 1,025,485	\$ 110,317
Supplemental disclosures of cash flow information:		
Interest paid	\$ 27,441	\$ -
Taxes paid	\$ -	\$ -
Non-cash investing and financing activities:		
Issuance of warrants in connection with convertible debt	\$ -	\$ 61,336
Debt converted to common stock	\$ 50,000	\$ -