Covalon Announces Date of Annual General Meeting and First Quarter Financial Results

MISSISSAUGA, ON, Feb. 28 /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced its annual general and special meeting of shareholders will be held at 2:00 pm on April 14, 2011 at the offices of Stikeman Elliott LLP, 53rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario. The record date for the meeting will be Tuesday, March 15, 2011. The Company also announced financial results for its first quarter ended December 31, 2010. Quarterly revenue was $661,115. Quarterly operating expenses were $946,579. Net loss was $629,241 or $0.008 per share. Covalon continues to have a strong balance sheet with no debt and $5,460,874 in cash, cash equivalents and short-term investments as of December 31, 2010.

Brian Pedlar, Covalon's Chief Executive Officer stated, "Our current revenue model based on selling our advanced technologies to large medical companies does not currently produce consistent revenues on a quarterly basis. Consequently, any one quarter's financial results are not particularly indicative of the Company's prospects. We are working on a number of exciting initiatives that have the potential to be transformative events for Covalon. The purpose of this strategy is to leverage Covalon's considerable technology base in a variety of new innovative applications in order to unlock shareholder value. I hope to be in a position to share these developments with shareholders in the upcoming weeks as well as at the Annual General Meeting. I continue to be optimistic about the Company's technologies and prospects. I am well aware that like many other health science companies, Covalon has taken longer to achieve its full potential than all would have hoped. I firmly believe that in the fullness of time, our shareholders' patience will be well rewarded."

About Covalon

Covalon Technologies Ltd. is a unique medical technologies company engaged in the research, development, and commercialization of advanced tissue repair applications, infection control, and specialized coatings for medical and consumer products. Together, our technology platforms, wound care products, and consulting services deliver a suite of cost-effective solutions to help our customers achieve product differentiation through improved patient outcomes. Our technologies address important healthcare issues such as infection control, medical device biocompatibility and healthy tissue repair. To learn more about Covalon, visit our website at www.covalon.com

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This news release contains forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan, "estimate", "expect", "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These forward-looking statements involve risk and uncertainties, including the difficulty in predicting product approvals, acceptance of and demands for new products, the impact of the products and pricing strategies of competitors, delays in developing and launching new products, the regulatory environment, fluctuations in operating results and other risks, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Many risks are inherent in the industry; others are more specific to the Company. Investors should consult the Company's ongoing quarterly filings for additional information on risks and uncertainties relating to these forward-looking statements. Investors should not place undue reliance on any forward-looking statements. The Company assumes no obligation to update or alter any forward-looking statements whether as a result of new information, further events or otherwise.

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