Covalon Announces Year End Financial Results and Resignation of Director

MISSISSAUGA, ON, Jan. 28, 2013 /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced financial results for its year ended September 30, 2012. Revenue for the year was $3,793,451. Revenue was up 47% year over year as a result of the changeover from the old exclusive wound care distribution arrangement to the new path the Company has chosen which is resulting in new agreements.

Annual operating expenses were $5,132,582 compared to $4,743,770 in the previous year. During the year, the Company had two new products cleared by the United States FDA - IV Clear™ and SurgiClear™ - which resulted in a significant investment in sales and marketing expenses to launch the products. In the previous fiscal year, the Company invested in research and development for outside testing to provide data for FDA and other regulatory filings for the two new products.

Net loss was $3,991,382 or $0.05 per share compared to $3,561,941 or $0.05 per share in the previous year. Covalon consumed significant cash reserves during the year in funding the development and launch of IV Clear and SurgiClear. The Company anticipates reduced operating expenses going forward.

The Company also announced today the resignation of Mr. William Jackson as a Director of the Company. "On behalf of Management and the Board of Directors, I would like to thank William for his contributions to Covalon over the past many years," stated Mr. Abe Schwartz, Chairman of the Board of Directors.

About Covalon

Covalon Technologies Ltd. researches, develops and commercializes new healthcare technologies that help save lives around the world. Covalon's patented technologies, products and services address the advanced healthcare needs of medical device companies, healthcare providers and individual consumers. Covalon's technologies are used to prevent, detect and manage medical conditions in specialty areas such as wound care, tissue repair, infection control, disease management, medical device coatings and biocompatibility. 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.

SOURCE: Covalon Technologies Ltd.

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