Covalon Announces Second Quarter Financial Results

MISSISSAUGA, ON, May 30, 2013 /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced financial results for its second quarter ended March 31, 2013. Revenue for the quarter was $529,853, operating expenses were $789,330, and the net loss for the first quarter was $558,831 or $0.01 per share. For the six months ended March 31, 2013, revenue was $1,101,860 and net loss was $1,353,301 or $0.02 per share.

Revenue for the six months ended March 31, 2013 included sales of advanced wound care dressings and license fees. During the quarter, Covalon began shipping the latest generation of its two new antimicrobial products cleared by the United States FDA - IV Clear and SurgiClear, in addition to the Company's ColActive Plus product, which is designed to help heal chronic wounds. Revenue in the first six months of the previous year included $916,280 from medical coatings services.

During the quarter, Covalon consumed $255,550 of cash in operations, and invested $64,938 in patents, trademarks and other manufacturing assets, mainly associated with the launch of IV Clear and SurgiClear. This compares to operating cash outflows of $922,452 and investing outflows of $86,217 last year at the same time.

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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