

Client: Akers Biosciences
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aim: medical supplies

AKERS BIOSCIENCES (AKR)



AFTER A LONG PERIOD OF POOR PERFORMANCE, Akers Biosciences seems to be on the mend. Not only did sales soar in 2007, it also reported its first profit before interest, tax, depreciation and amortisation of \$1.4m

TIP UPDATE Akers is transforming science into profits and should have sorted its balance sheet out within 12 months. The shares remain a buy.

(£704,000), against a loss in 2006 on the same basis of \$7.8m. The key last year was contracts for the US military and specifically for an alcohol breathalyser to stop personnel driving drunk off

base. It accounted for 85 per cent of last year's, turnover against just \$300,000 in 2006. The figures for 2008 will include final sales of \$1.6m on this contract, but it's likely to be extended and there are a number of other products, such as a battlefield blood transfusion card (to avoid giving the wrong blood type), being tested.

At the same time, Akers should be a big

beneficiary of Baxter International's decision two months ago to recall its blood-thinning heparin sodium products due to adverse reactions. That's because Akers has a rapid assay test that can detect adverse reactions to heparin.

Arbuthnot forecasts 2008 sales of \$8.5m and a profit of \$2m (an adjusted loss of \$1.3m in 2007), but these figures only take account of the breath and anti-coagulant tests.

ORD PRICE: 15p **MARKET VALUE:** £10.28m
TOUCH: 14-15.25p **12-MONTH HIGH:** 28.75p **LOW:** 9.75p
DIVIDEND YIELD: nil **PE RATIO:** na
NET ASSET VALUE: * **NET DEBT:** \$4.37m

*Negative shareholders' funds £1-\$1.977

YEAR TO 31 DEC	TURNOVER (\$M)	PRE-TAX PROFIT (\$M)	EARNINGS PER SHARE (c)	DIVIDEND PER SHARE (c)
2003	1.11	-2.89	-0.07	nil
2004	1.33	-4.42	-0.10	nil
2005	4.61	-1.82	-0.09	nil
2006	1.02	-10.08	-0.17	nil
2007	5.52	-2.37	-0.03	nil

% change +441

Last IC view: Buy, 15.5p, 8 Oct 2007