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Akers Bio reports its first ever profit.
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Akers Bio has a pipeline of rapid diagnostic screening and testing products coming through

Thomas Nicolette became hands-on president of Akers Biosciences in February 2007. He inherited a heavily loss-making business with currently $62m of tax losses, but through a combination of rising sales and much reduced costs, is able to report a pre-tax profit in the six months to the end of June 2008. It's a fine achievement and justifies our buy recommendations at lower prices.

Akers has FDA approval for its platform technology that enables it to design and make rapid diagnostic screening and testing products. In that latest half year, most of the revenue came from sales of alcohol breathalysers to the US military. Some 2m have been sold and refills will be a major ongoing source of income. The rest of the income came from sales of a manual device which detects any potentially life threatening allergy to Herparin, a widely prescribed blood thinner. This product is now sold to US hospitals by Cardinal Health and to laboratories in America and Germany by Irish-based Trinity Biotech. Akers has also sold its blood typing card to the US army in Afghanistan.

How well Akers performs in the current half year may depend on what new or additional US military contracts it's awarded over the next few weeks. At the same time, it has attracted new investors to repay all borrowings and should soon have two further breath tests available. One is for Diabetic Ketoacidosis or diabetic shock, the other is to test smokers for lung cancer.

Broker Arbuthnot forecasts 12 months' sales of $9.3m ($5.52m). That income should push up profits significantly as research and development costs are modest. The shares remain a buy.

Buy