

APTILON CORPORATION

TSX-V: APZ

Closing Price (August 31): \$0.20

52-Week Range: \$0.31-\$0.07

Shares O/S: 192.7 million

Market Cap: \$38.54 million

Profile: Online marketing to healthcare professionals

FINANCIAL RESULTS: Q2 AND FIRST HALF 2010

Aptilon Corporation reported results for the second quarter and first six months of 2010 (ended June 30) as shown below.

Table 1: Second-Quarter 2010 Results

<u>(\$000s)</u>	<u>Q2/2010</u>	<u>Q2/2009</u>	<u>% Change</u>
Revenue	8,586	3,076	179%
Gross Profit	5,448	2,286	138%
Gross Profit Margin	63.5%	74.3%	
EBITDA	520	(270)	293%
EBITDA Margin	6.1%	N/A	
Net Profit (Loss)	(306)	(441)	31%
EPS	(\$0.00)	(\$0.00)	
Cash Flow	1,957	(16)	N/M
Avg. Shares O/S (000)	192,729	168,710	14%

Commentary on Q2/2010

Aptilon's revenues for Q2/2010 were up 179% over Q2/2009, at \$8.586 million compared with \$3.076 million. The revenue increase reflects a broader base of customers, growth in the size of enterprise customer initiatives, and a contribution from assets purchased in 2009. Gross profit increased 138% in Q2/2010 to \$5.448 million, compared with \$2.286 million in Q2/2009.



The net loss for Q2/2010 was \$305,787 compared with a net loss of \$440,862 in Q2/2009.

The Company generated positive cash flow from operations in Q2/2010 of \$1.957 million, before a net change in non-cash working capital items of (\$2.166 million). In the corresponding period of 2009, cash flow used in operating activities was (\$16,324), before a net change in non-cash working capital items of (\$544,573).

Table 2: Six-Month 2010 Results

<u>(\$000s)</u>	<u>6mo/2010</u>	<u>6mo/2009</u>	<u>% Change</u>
Revenue	16,261	5,878	177%
Gross Profit	9,736	4,232	130%
Gross Profit Margin	59.9%	72.0%	
EBITDA	1,525	(558)	373%
EBITDA Margin	9.4%	N/A	
Net Profit (Loss)	(249)	(915)	73%
EPS	(\$0.00)	(\$0.01)	
Cash Flow	2,986	(166)	N/M
Working Capital	(721)	(3,502)	N/M
Avg. Shares O/S (000)	191,228	168,617	13%

Commentary on First-Half/2010

For the first six months of 2010, Aptilon reported an increase in revenues of 177% over the corresponding six months of 2009, at \$16.261 million compared with \$5.878 million in the corresponding period of 2009. Gross profit increased 130% to \$9.74 million for the first six months of 2010 versus \$4.23 million for the same period in 2009. The net loss for the first half of 2010 decreased to \$249,460 from a loss of \$914,629 for the first half of 2009.

Working Capital

At June 30, 2010, Aptilon's working capital position included the short-term portion of a promissory note payable in connection with a business acquisition. Working capital totalled (\$721,319), including cash and cash equivalents and restricted cash of \$2.95 million. This compared to working capital of (\$3.5 million), including cash and cash equivalents and restricted cash of \$2.06 million, at December 31, 2009.



Outlook

Pharmaceutical, medical device and other health-care companies increasingly seek alternative sales and marketing solutions such as those offered by Aptilon over the Internet. Through the Company's AxcelRxSM service offering and access to more than 550,000 health-care practitioners, Aptilon assists client companies, offering both increased reach and frequency.

COMMENT: In the second half of 2010, Aptilon will release an extension of its AxcelRxSM service offering that will allow health-care marketers and sales professionals to target, engage and interact with mobile physicians via the Apple® iPhone smartphone. We expect Aptilon to further increase the revenue generated by its physician and health-care professional access businesses and to continue to gain support for its programs.

THE COMPANY

Aptilon Corporation ("Aptilon" or the "Company") provides a one-stop solution that allows health-care marketers to effectively reach, engage, and interact with physicians and other health-care professionals over the Internet through its innovative AxcelRx(SM) live video platform. The Company's Web-based solutions: (1) enable valuable interactions with physicians; (2) deliver promotional material in a controlled manner; and (3) provide immediate feedback and reporting analysis. Aptilon is based in Montreal, Quebec.

The Company has a small market cap, and thin share-trading liquidity.

STOCK CHART



Source: www.BigCharts.com

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Note: eResearch issued its initiating *StockPotentials* report on Aptilon Corporation on August 10, 2010. It is available at our link: http://www.eresearch.ca/report/APZ_081010-SP.pdf

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