



ASHURST TECHNOLOGY LTD. ANNOUNCES 1997 THIRD QUARTER RESULTS

Hamilton, Bermuda, December 31 - Ashurst Technology Ltd. (the "Company"), and Ashurst Technology Canada Inc. announced third quarter results in line with expectations. For the three months ended October 31, 1997, the Company reported a loss of US\$2,346,818 (\$0.03 per share) on revenues of US\$1,163,976, versus a loss of US\$2,092,018 (\$0.02 per share) on revenues of US\$1,186,894 for the corresponding quarter of 1996. For the first nine months of fiscal 1998, the Company reported a loss of US\$7,295,563 on revenues of US\$3,549,418 versus a loss of US\$6,192,772 on revenues of US\$3,107,369 for the same period last year.

At October 31, 1997, the Company's cash and investments balance was US\$5,615,389. Cash resources were used during the quarter primarily to fund expected research and development expenses, technology investments and operating losses of the Company and investments in its affiliates. Subsequent to October 31, 1997, the Company has requested the return of short-term investments of \$5.5 million held in a trust account. As of this date these funds have not been returned. The Company is currently pursuing the return of these funds and is considering legal action to ensure their release.

During the quarter Ashurst signed a second licensing agreement with Easton Sports, Inc. for the manufacture and sale of mountain and road bicycle frame, tubes and various bicycle components. A supply agreement was also signed with STX Inc., providing STX with the exclusive right to purchase scandium lacrosse sticks from Ashurst for a period of two years.

Subsequent to the quarter the Company announced that the Ukrainian government had taken several steps toward restructuring the Ukrainian gold project. These measures included the liquidation of the State-Owned Joint Stock Company "Ukrzoloto" and the proposed transfer of Ukrzoloto's business to a new State entity. Such measures were taken following consultations with Ashurst and have received Ashurst's support. Ashurst believes that this will speed up the process of completion of the project. Ashurst suspended financing for the project earlier this year due to delays in the completion of essential work. In December Ashurst submitted claims for work completed to date to the liquidation committee for Ukrzoloto. The Company's claim totaling \$4 million was issued simply as part of the liquidation process and was not accompanied by a demand for the return of the Company's investment as reported in Intelnews on December 23, 1997.

In conjunction with the recently announced management changes and strategic redirection, the Company is reviewing all of its operations and is taking aggressive steps to reduce operating and research and development expenses and certain long term investments. These actions along with anticipated revenue growth should result in a significantly more focused and profitable company in fiscal 1998. Meanwhile, the Company is pursuing various short and long term financing opportunities. The timing and amount of the anticipated financing has not been determined.

Ashurst develops, licenses, and produces advanced light metal alloys in the United States and Ukraine. Company products, including its patented scandium alloys, provide performance advantages in sports, aerospace, and transportation applications.

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