

FINANCIAL MAIL

Plan looks promising

Shoks Mzolo

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Investors in wellness firm Bioscience have needed patience and faith. Shareholder value has been destroyed, there has been director churn, and the AltX-listed firm is due for another restructuring after repeatedly missing its own earnings forecasts and becoming technically insolvent. Based on the new management's valuation, Bioscience - suspended from trading last July when it was valued at R7m, or 8c/share - is now worth a respectable R60m. Of this, management and directors own 10%. The new restructuring plan looks good on paper. But it doesn't help that the new management has yet to get the bourse to lift the suspension. CEO Michael Allan believes reinstatement is "imminent", but there have been false starts. Carol Ansara, a director who came on board as part of the new management in January, resigned a few months later.

The new team has been hard at work rebuilding Bioscience. The acquisition of Enaleni's Bioharmony and Muscle Science for R43,5m seems to be working, and the group is jacking up its other brands, KGB and Herbology. As part of the restructuring, Thebe Investments' health-care subsidiary is set for a 40% share in Bioscience. But it depends on whether it exercises its option to buy a certain number of shares in two separate tranches. The first leg of the empowerment deal involves 571,4m shares at 3,5c/share (a total of R20m), but the second is yet to be determined.

It's unclear whether Thebe is getting this for a song, as Bioscience hasn't been trading for 14

DEEP IN THE RED

Bioscience financial results

Financial year	2007	2008
Revenue	R16,98m	R3,79m
Pretax losses	R34,21m	R7,95m
Taxation	R548 000	R1,86m
Headline loss per share	(16,74c)	(5,27c)

SOURCE: BIOSCIENCE

months. Allan says it was agreed that 3,5c/share is a fair valuation. This implies that investors who bought stocks in July 2008 at 8c/share paid more than twice the value. But the unluckier ones got in at 90c/share when Bioscience, then known as Wellco, seemed a good bet to many.