

Regulatory Announcement

[Go to market news section](#)



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Omega Diagnostics Group PLC ("Omega" or the "Company")

Trading update, Aborted acquisition, Board Change and Change of Adviser

Omega, the AIM listed medical diagnostics company, announces the following trading update in advance of releasing its interim results at the end of this month.

Trading update

Turnover for the seven months ended 31st October 2008 is up by just over 14% compared to an equivalent pro-forma number for the comparative seven month period last year. This result has been driven by growth in all three of the Group's main trading companies, Omega Diagnostics Limited, Genesis Diagnostics Limited ("Genesis") and Cambridge Nutritional Sciences Limited ("CNS"). In particular, the Company continues to see good progress with its Genarrayt[®] assay detection system and the Food Detective[®] assay, offering a test for food intolerance to the laboratory and consumer markets respectively and overall, increased turnover remains in line with expectations.

In support of this progress, the Company has made a more significant investment in its infrastructure than originally envisaged, particularly with sales and marketing resources, to ensure momentum is maintained in penetrating new markets and the Company believes this will yield positive results in the second half.

In the first half, the strengthening of the US dollar has had an adverse impact on results. Foreign exchange gains on net US dollar assets from trading operations have been more than offset by losses on having to retranslate US dollar borrowings. The Company continues to generate a surplus of US dollar assets from trading operations on a monthly basis and therefore, the balance of US dollar assets is converging with the balance of US dollar borrowings where loan repayments are also made on a monthly basis, which will mitigate the effects of any further strengthening in the US dollar exchange rate.

Aborted acquisition

During the current year, Omega has been involved in the planned acquisition of another company which required Omega to raise new funds to complete the acquisition. The funding environment has

deteriorated throughout the process, due to the turmoil in worldwide financial markets, and the Company has today concluded that due to these challenging circumstances it is not possible to raise sufficient funds to continue with the proposed transaction. The Company has incurred costs, estimated at between £250,000 and £300,000, in connection with the aborted transaction but it has been able to significantly reduce the impact of these costs to 30% of the total by obtaining indemnities from third parties for 70% of these costs. Among these third parties were Dr Mike Walker and David Evans, directors of the Company, who agreed to cover 30% and 10% of the costs respectively under an agreement entered into on 3 September 2008. As a result the financial impact of the aborted transaction to the Company has been limited to between £75,000 and £90,000. These costs will impact the results for the first half but due to the one-off nature and value of these costs, they will be separately disclosed and treated as an exceptional item in the Income Statement so that they do not impact on the results from normal trading operations.

The Company will continue in its objective to look for suitable acquisition opportunities but the timing of any deal and degree of risk will remain uncertain during challenging times to be raising funds.

Board Change

Following the successful acquisition of Genesis and CNS in September last year, Dr Mike Walker has indicated that he now wishes to resign from the Board with immediate effect. Mike was the founder of Genesis and CNS and the Board would like to wish him well for the future.

Change of Adviser

Omega confirms that in accordance with AIM Rule 17, the Company's nominated adviser and broker is Teathers, a division of Straumur-Burdaras Investment Bank hf., of Berkeley Square House, Third Floor, Berkeley Square, London W1J 6BU.

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