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TIDM ODX
Headline Issue of equity and acquisition
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AIM: ODX

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

Issue of Equity and Acquisition

Omega, the AIM listed medical diagnostics company, is today pleased to announce that it has raised £1million before expenses (approximately £884k net of expenses) by way of a conditional placing (the "Placing") of 5,000,000 shares of 4p each in the capital of the Company ("Placing Shares") at 20 pence per share. The Placing was oversubscribed and the Company is pleased to welcome the new institutional investors to the register. The excess demand for Placing Shares has been taken up with the Company's single largest shareholder undertaking to sell his entire stake in the Company to certain of the investors under the Placing.

The proceeds of the Placing will be used partly to fund the acquisition of Co-Tek (South West) Ltd ("Co-Tek"), a company based in Devon which produces various tests for diagnosing bacterial diseases. The business assets comprise plant and machinery, fixtures and fittings, office equipment, debtor balances and cash. Net assets immediately prior to the acquisition were approximately £83k. The total consideration for the business and assets is £400k in cash.

Omega has raised a further £600k before expenses of working capital which strengthens the balance sheet and provides an ability to react to other opportunities within the diagnostics industry to support further growth. Management expects the transaction to be earnings enhancing in the first full year of trading.

Unaudited financial accounts for the most recently available period covering ten months to 31 July 2009 show that Co-Tek achieved revenue of £188k, gross profit of £169k, EBITDA of £125k and PBT of £119k. The Company also paid a £54k dividend in the period. Co-Tek has a profitable track record for the past four years.

The acquisition will strengthen Omega's position in the infectious disease test market and provides scope to increase volumes through the use of its broad geographic distribution network in over 100 countries.

David Evans, Chairman of the Company commented:

"We are very pleased with the support received for the Placing from existing and new shareholders for which we give thanks. We also look forward to the positive benefits we can expect from combining Co-Tek's operations with those of the Company including significantly increased channels to market for Co-Tek's products that the acquisition provides."

The Placing is conditional on, inter alia, the Placing Shares being admitted to trading on AIM ("Admission"). Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM and it is expected that admission will occur at 8.00 a.m. on 28 September 2009. The Placing Shares will, when issued, rank pari passu in all respects with the Company's existing ordinary shares.

After admission of the Placing Shares the figure of 20,632,907 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FSA's Disclosure and Transparency Rules.

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