

Regulatory Announcement

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Company	Omega Diagnostics Group PLC
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Omega Diagnostics

**PROPOSALS FOR THE ACQUISITION OF
 GENESIS DIAGNOSTICS LIMITED
 AND
 CAMBRIDGE NUTRITIONAL SCIENCES LIMITED,
 PLACING OF 7,333,333 NEW ORDINARY SHARES OF 4p EACH AT 30p PER SHARE,
 SHARE CONSOLIDATION,
 CAPITAL REORGANISATION
 AND
 NOTICE OF EXTRAORDINARY GENERAL MEETING**

Omega, a medical diagnostic company that produces and sells a wide range of in-vitro diagnostic test kits, is pleased to announce that it has conditionally agreed to acquire the entire issued share capital of Genesis Diagnostics Limited and Cambridge Nutritional Sciences Limited (together "Genesis-CNS"). The Acquisition of Genesis-CNS constitutes a reverse take-over under Rule 14 of the AIM Rules.

Genesis-CNS is a growing, profitable, cash-generative business serving the clinical diagnostics market. Genesis-CNS supplies test kits to hospital laboratories in the UK and overseas, via a network of distributors, in 27 countries. Genesis-CNS produces 80 different test kits, plus a line of 24 quality control products, mainly in the areas of autoimmune diseases and food intolerance as well as providing testing services for food intolerance and some diseases.

The consideration for the Acquisition is to be satisfied as to £3.2 million payable in cash on Completion; the issue of Consideration Shares at the Placing Price not to exceed the lesser of £1.4 million or 29.99 per cent. of the Enlarged Issued Share Capital; an amount in cash equal to the difference between the value of the Consideration Shares at the Placing Price and £1.4 million to be payable one year after completion; deferred consideration payable in cash in accordance with the Earn Out Calculation; and the issue of a loan note in respect of £1.1 million.

The Company also announces that it has raised, conditional on Admission, £2.2 million by means of a placing of 7,333,333 New Ordinary Shares at 30p (0.75p before reorganisation and consolidation) per Placing Share by Teather & Greenwood in order to provide funds for the Acquisition. A further £1.2 million of funding for the Acquisition will be provided by a loan from Bank of Scotland.

The Company is also proposing to undertake a Share Consolidation and Capital Reorganisation, further details of which are set out below.

Completion of the Acquisition, the Placing, the Share Consolidation and the Capital Reorganisation are subject, amongst other things, to the approval of Shareholders, which is to be sought at the Extraordinary General Meeting convened for 11.30am on 30 August 2007 to be held at the offices of Brodies LLP, at 15 Atholl Crescent, Edinburgh EH3 8HA. The Directors have irrevocably undertaken to vote in favour of the Resolutions in respect of their own beneficial shareholdings which amount in aggregate to 37,324,976 Ordinary Shares (representing approximately 30.29 per cent. of the Ordinary Shares currently in issue).

The Company has posted an Admission Document to Shareholders along with the Notice of EGM. Dealings in the Company's Ordinary Shares on AIM are expected to recommence with immediate effect.

Andrew Shepherd, Chief Executive of the Company commented:

"The acquisition of Genesis-CNS is highly significant as it is our first since joining AIM in September 2006. Genesis and CNS are growing, profitable and cash generative businesses operating in the growth markets of Autoimmune Disease and Food Intolerance testing. They also have proven new technologies which will strengthen and diversify the Omega product offering.

"We look forward to presenting this enhanced product range to our extensive distribution network spanning over 100 countries."

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FURTHER INFORMATION

STATISTICS

Placing Price	30p
Number of Existing Ordinary Shares	123,245,615
Number of Consideration Shares being issued under the Acquisition	4,461,220
Number of Placing Shares being issued on Admission	7,333,333
Total number of New Ordinary Shares in issue following Admission	14,875,693
Percentage of the Enlarged Issued Share Capital to be held by the Vendors immediately following Completion and Admission	29.99 per cent.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Extraordinary General Meeting	11.30am on 30 August 2007
Record Date for the Share Consolidation and Capital Reorganisation	Close of business on 30 August 2007
First Admission	31 August 2007
Second Admission	3 September 2007
Completion of the Acquisition and issue of Consideration Shares	3 September 2007

INFORMATION ON OMEGA

Omega is an established business in the medical diagnostics industry which produces and sells a wide range of immunoassay and infectious disease IVD test kits and other products through a distribution network in more than 100 countries worldwide. Omega operates in a niche market, supplying tests for specific infectious diseases and other clinical conditions. The infectious diseases addressed by Omega's products include Syphilis, Tuberculosis, Dengue Fever, Chagas Disease and Malaria. All products are designed for use in clinical laboratories and Rapid Tests are designed for use at the point of care. Omega currently exports over 95 per cent. of its products.

INFORMATION ON GENESIS-CNS

Genesis and CNS are established businesses in the medical diagnostics industry which develop, produce and sell a range of IVD tests kits specialising in the areas of autoimmune disease, infectious disease and food intolerance. The acquisition of Genesis-CNS is in line with Omega's strategy of focusing on selected acquisitions of niche players in the IVD market. Genesis-CNS has the following characteristics which make it an

attractive acquisition for the Company:

- Growing, profitable, cash-generative
- Operating in growth markets
- Ability to increase the routes to market
- Complementary product ranges
- Well established high quality management team

Growing, profitable, cash-generative:

Over the three years to the year ended 31 October 2006 Genesis-CNS sales have grown to approximately £2,192,000 (including intercompany sales of approximately £78,000) for the 2005/6 financial year. For the year ended 31 October 2006 Genesis recorded a profit before tax of £238,103 and generated an operating cash surplus of £259,117. As at 31 October 2006, Genesis had net assets of £885,204. For the year ended 31 October 2006 CNS recorded a profit before tax of £79,474 and generated an operating cash surplus of £64,738. As at 31 October 2006, CNS had net assets of £121,414.

Operating in growth markets:

There has been a huge increase in people suffering from food related illnesses in recent years. Allergy UK, a national medical charity concerned with allergies, food intolerance and chemical sensitivities, believes that around 45 per cent. of the UK population is adversely affected by the food they eat and they see cases of food intolerance rising. The Directors believe that a growing awareness of food intolerance issues is driving the market potential for diagnostic products and services and therefore will increase the potential for sales.

It is estimated that the total European autoimmune disease diagnostics market was worth US\$440 million in 2004 and it is predicted that it may reach almost US\$700 million by 2011.

Ability to increase the routes to market:

The Genesis-CNS distribution network only extends to 27 countries whereas Omega's extends to over 100 countries. The Directors intend to increase sales of Genesis-CNS and Omega's products by cross-selling them into the combined distribution network.

Complementary product ranges:

The products produced by Genesis-CNS utilise the Enzyme Immunoassay (EIA) technology which is common to many of the products produced by Omega and they are highly complementary in that they cover areas of the IVD market which are not currently covered by Omega. For example, Omega primarily sells infectious disease diagnostic products whereas Genesis-CNS focuses on autoimmunity and food intolerance diagnostic products through its macro and microarray technologies.

Well established high quality management team:

Genesis-CNS has a strong management team which the Directors believe will be an asset to Omega's existing management. In particular, Dr Michael Walker, who will be joining the Board of Omega as a Non-Executive Director, brings a wealth of industry experience and contacts, having grown the Genesis-CNS business since 1994. In addition, the Directors intend to retain the entire team of senior management from the Genesis-CNS business.

CURRENT TRADING AND PROSPECTS OF THE ENLARGED GROUP

Trading in Omega for the current year remains flat and the rationale for seeking to grow through acquisition is further underlined. Trading in Genesis-CNS has continued to grow and the Ongoing Directors are confident in the prospects of the Enlarged Group and believe it will be well placed to exploit the new product opportunities that exist with the microarray and macroarray diagnostic platforms and the launch of a new test for diagnosing HSV-2 infections.

PRINCIPAL TERMS OF AND CONDITIONS TO THE ACQUISITION

The Vendors and the Company have entered into the Acquisition Agreement, pursuant to which the Company will acquire the entire issued share capital of each of CNS and Genesis. The maximum consideration payable by the Company to the Vendors will be £6.7 million and it will be payable as follows:

- (a) as to £3.2 million payable in cash at Completion (£2.9 million net of the cash anticipated to be on Genesis – CNS' balance sheet at Completion);
- (b) the issue of Consideration Shares at the Placing Price not to exceed the lesser of £1.4 million or 29.99 per cent. of the Enlarged Issued Share Capital; an amount in cash equal to the difference between the value of the Consideration Shares at the Placing Price and £1.4 million payable one year after Completion;
- (c) as to £1.1 million pursuant to the terms of a loan note to be issued by the Company at completion, further details of which are set out in paragraph 2.10.6 of Part VII;
- (d) as to an amount of up to £1 million, to be paid in cash, being an amount equal to 7 per cent. of income (i) invoiced during and (ii) received by Genesis-CNS within 3 months after the end of each year of the Earn Out Period or within the Earn Out Period by Genesis-CNS in respect of the sale of Genesis Products and CNS Products in each year of the Earn Out Period.

The Consideration Shares will, when issued, rank equally with the New Ordinary Shares. Completion of the Acquisition is conditional, among other things, upon:

- (a) Admission; and
- (b) the passing by the Shareholders of the Resolutions.

If the Resolutions are duly passed by Shareholders at the EGM and other conditions set out in the Acquisition Agreement are met, trading in the Existing Ordinary Shares on AIM will be cancelled and the Enlarged Issued Share Capital will be admitted to trading on AIM, with dealings expected to commence on 31 August 2007 in respect of the First Admission and on 3 September 2007 in respect of the Second Admission.

FUNDING

The Company proposes to raise approximately £2.2 million by the allotment and issue of 7,333,333 New Ordinary Shares at the Placing Price pursuant to the Placing by Teather & Greenwood. The Placing Shares will represent approximately 49.3 per cent. of the Enlarged Issued Share Capital of the Company on Admission.

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. Dealings on AIM are expected to commence on 31 August 2007 in respect of the First Admission and 3 September 2007 in respect of the Second Admission.

The Company has also agreed a facility arrangement for £1.2 million with Bank of Scotland.

The net proceeds of the Placing, together with the Bank of Scotland loan, will be used to provide funds for the Acquisition.

DETAILS OF THE CAPITAL REORGANISATION AND THE SHARE CONSOLIDATION

In order to effect the Placing the Capital Reorganisation needs to be undertaken. The nominal value of each Existing Ordinary Share is 1p which is higher (before reorganisation and consolidation) than the Placing Price of 30p (0.75p before reorganisation and consolidation) per Placing Share. Under company law the Company is prohibited from issuing shares for consideration at less than nominal value.

In order to remedy this problem it is proposed to implement the Capital Reorganisation pursuant to which it is proposed that each Ordinary Share will be divided into one Intermediate Ordinary Share with a nominal value of 0.1p and one Deferred Share with a nominal value of 0.9p. The Intermediate Ordinary Shares created will have the same rights (including voting and dividend rights and rights on a return of capital) as the Existing Ordinary Shares. The Deferred Shares created by the Capital Reorganisation will be nonvoting, carry no right to participate in any future dividend, have a minimal entitlement to share in the Company's capital and will not be listed or quoted on any recognised investment exchange. They will be effectively valueless. No share certificates will be issued in respect of the Deferred Shares.

The Directors will give consideration after Admission to the need for a Capital Reduction to cancel the Deferred Shares. Shareholders should be aware that any Capital Reduction will not, of itself, have any effect on the net assets of the Group or on the market value of the issued New Ordinary Shares, other than as a result of the costs of carrying out the reduction.

The Directors are proposing that the Intermediate Ordinary Shares are then consolidated on the basis of 1 New Ordinary Share for every 40 Intermediate Ordinary Shares held at the Record Date.

Upon implementation of the Share Consolidation, Shareholders on the register of members of the Company at the close of business on the Record Date, which is expected to be 30 August 2007, will have 40 Intermediate Ordinary Shares consolidated into 1 New Ordinary Share and so in proportion for any other number of Intermediate Ordinary Shares then held. New Ordinary Shares arising on implementation of the Share Consolidation will have the same rights as the Existing Ordinary Shares, including voting, dividend and other rights. New share certificates will, where relevant, be issued in respect of the New Ordinary Shares in issue and certificates for the Ordinary Shares will be cancelled.

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the consolidation of Intermediate Ordinary Shares described above, any Shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares at the Record Date (a "Fractional Shareholder") such fractions shall be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company may be entitled so as to form full New Ordinary Shares and sold.

The Directors will be authorised to sell New Ordinary Shares arising from fractional shareholdings on behalf of the Company in the market as soon as reasonably practicable following the passing of the Resolution for the best price then reasonably available for those shares.

It is intended that, prior to the Record Date, the Company shall issue to the Chairman such number (not to exceed 39) of new Intermediate Ordinary Shares as are required to increase the issued share capital of the Company on the Record Date to a number divisible by 40. These shares will be issued at a price no less than their mid-market value on the date preceding the date of issue.

Key points consequential on the Capital Reorganisation

- Dealings in Existing Ordinary Shares will cease on 30 August 2007 and dealings in New Ordinary Shares will commence on 31 August 2007 in respect of the First Admission and 3 September 2007 in respect of the Second Admission;
- Settlements effected on or after 31 August 2007 of bargains made before that date will be in New Ordinary Shares;
- For Shareholders holding their shares in certificated form, new share certificates will be despatched (at the risk of the addressee) in respect of New Ordinary Shares by no later than 17 September 2007;
- For Shareholders holding shares in uncertificated form, the relevant number of New Ordinary Shares will be credited to their existing stock accounts on 31 August 2007, in place of their Existing Ordinary Shares.

BOARD

Upon Admission, the Directors will remain in their current positions and Dr Michael Strachan Walker will join the Board as a Non-Executive Director. Aged 60, Dr Walker graduated in Biochemistry at Strathclyde University in Glasgow. Dr Walker worked as a hospital biochemist in the National Health Service and carried out research on the involvement of steroid hormones in male infertility. Dr Walker completed his PhD at the Department of Medicine, University of Glasgow in 1976 and later gained a marketing qualification from the Richard Ivey Business School in Canada. Dr Walker also filled marketing and sales roles with Serono Diagnostics Limited in Switzerland. Dr Walker founded Genesis in 1994 with the aim of introducing new diagnostic test kits and reagents. Dr Walker founded CNS in 2001 with the aim of providing food intolerance tests and other pathology services direct to both the medical industry and to patients. CNS developed the UK's first IgG food intolerance test which used finger prick blood sampling. In relation to his appointment as a Non-Executive Director of the Company, Dr Walker will receive a fee of £15,000 per annum terminable on one months notice by either party.

EMPLOYEES AND INCENTIVISATION

As at 31 March 2007, Omega employed 22 staff in total, all of whom are based at Omega's premises at Alva, Scotland.

As at 31 March 2007, Genesis-CNS employed 25 staff in total, all of whom are based at Genesis-CNS's premises in Ely.

It is intended that the adoption of the Share Option Scheme, to be effected by the passing of a Resolution to be proposed at the EGM, will allow the ongoing Directors to provide long term incentivisation arrangements for all staff.

LOCK-IN ARRANGEMENTS

Each of Andrew Shepherd, Kieron Harbinson, Michael Gurner, David Evans and ECS International Trustees (Gibraltar) Limited have undertaken that, subject to certain limited exceptions, they will not sell or otherwise dispose of, or agree to sell or dispose of, any of their interests in New Ordinary Shares held by them respectively until after the publication of the Enlarged Group's results for the year ended 31 March 2008. In addition each of Andrew Shepherd, Kieron Harbinson, Michael Gurner, ECS International Trustees (Gibraltar) Limited have agreed that any sale or disposal of New Ordinary Shares for a further period of 12 months, will be

effected through Teather & Greenwood and with its consent so as to maintain an orderly market in the Company's shares.

EXTRAORDINARY GENERAL MEETING

Completion of the Acquisition, the Placing, the Share Consolidation and the Capital Reorganisation are subject, amongst other things, to the approval of Shareholders, which is to be sought at the Extraordinary General Meeting convened for 11.30am on 30 August 2007 to be held at the offices of Brodies LLP, at 15 Atholl Crescent, Edinburgh EH3 8HA.

ADMISSION TO AIM

The Share Consolidation is conditional upon the New Ordinary Shares being admitted to trading on AIM. Application for such Admission will be made so as to enable the New Ordinary Shares to be admitted to trading on AIM as soon as practicable following the Record Date. It is expected that the First Admission will become effective at 8.00 am on 31 August 2007 whereupon the Share Consolidation will be effective and that Second Admission will become effective at 8.00 am on 3 September 2007.

APPENDIX A

FURTHER INFORMATION GIVEN IN ACCORDANCE WITH THE AIM RULES CONCERNING MICHAEL STRACHAN WALKER

Current Directorships

Biosurgical Products Limited
Cambridge Nutritional Sciences Limited
Genesis Diagnostics Limited

There is no further information to be disclosed in respect of Michael Walker under Schedule 2(g) of the AIM Rules.

APPENDIX B

In this announcement, where the context permits, the expressions set out below shall bear the following meanings:

"2006 Acquisition"	the acquisition of Omega Diagnostics Limited, a private limited company registered in Scotland with company number SC107178, pursuant to an acquisition agreement dated 23 August 2006
"2006 Acquisition Initial Consideration Shares"	the 60,600,000 Existing Ordinary Shares issued by the Company pursuant to the 2006 Acquisition
"2006 Admission"	the admission of shares to trading on AIM on 19 September 2006

“2006 Earn Out”	the proportion of the consideration, up to a maximum of £1,788,000, payable by the Company pursuant to the 2006 Acquisition, which was subject to an earn out calculation
“2006 Earn Out Shares”	the shares to be issued pursuant to the 2006 earn out
“2006 Placing”	the placing of 2006 Placing Shares at the 2006 Placing Price, pursuant to the 2006 Placing Agreement
“2006 Placing Price”	2p per Existing Ordinary Share – equivalent to 80p per New Ordinary Share
“2006 Placing Shares”	the 50,000,000 Existing Ordinary Shares which were issued by the Company pursuant to the 2006 Placing
“2006 Warrant”	warrant to subscribe constituted by the 2006 Warrant Instrument
“2006 Warrantholder”	the holder of a 2006 Warrant
“2006 Warrant Instrument”	the deed poll instrument issued by the Company on 23 August 2006
“2006 Warrant Issue”	the issue of warrants entitling the holders of shares already in issue on 24 August 2006 to subscribe for up to 5,588,432 Existing Ordinary Shares under the terms of the 2006 Warrant Instrument
“Acquisition”	the acquisition of Genesis-CNS pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 3 August 2007 between the Vendors and the Company for the sale of the entire issued share capital of Genesis and CNS to the Company
“Act”	the Companies Act 1985, (as amended)

"Admission"	the admission of the New Ordinary Shares, including the Placing Shares and the Consideration Shares, to trading on AIM becoming effective in accordance with the AIM Rules which, unless the context otherwise requires, includes the First Admission and the Second Admission
"AIM"	AIM, a market of the London Stock Exchange
"AIM Rules"	the rules of the London Stock Exchange (LSE) governing admission to and the operation of AIM for AIM companies and their nominated advisers
"Andrew Shepherd Deferred Salary Arrangements"	the arrangement between Andrew Shepherd, a Director, and the Company in relation to payment of his deferred salary
"Articles"	the articles of association of the Company
"Bank Facilities"	the facility agreement for £1.2 million by Bank of Scotland to the Company for the purposes of the Acquisition the existing directors of the Company
"Board"	the existing directors of the Company
"Business Day"	a day which is not a Saturday or a Sunday and which is not a bank or public holiday in Edinburgh or Cambridge
"Capital Reduction"	the potential reduction in the share capital of the Company
"Capital Reorganisation"	the proposed capital reorganisation of the Company
"certificated" or "in certificated form"	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
"CNS"	Cambridge Nutritional Sciences Limited, a private limited company registered in England & Wales with registered number 04201429

"CNS Products"	means (a) Food Print® test analysis using microarray based tests (produced by Genesis and/or CNS) including Food Print® tests on all bodily fluids and (b) Food Detective® kits for professional and general public use on blood, saliva, urine or any other bodily fluid in either case as developed by CNS and/or Genesis and as in existence as at the date of the Acquisition Agreement
"Combined Code"	the Principles of Good Governance and Code of Best Practice, issued by the London Stock Exchange
"Completion"	completion of the Acquisition
"Conditional Completion"	conditional completion of the sale and purchase of the entire issued share capitals of Genesis and CNS by the Company in accordance with the provisions of the Acquisition Agreement
"Consideration Shares"	the 4,461,220 New Ordinary Shares to be issued by the Company pursuant to the Acquisition Agreement
"CREST"	the relevant system (as defined in the CREST Regulations) to facilitate the transfer of title to the shares in uncertificated form in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"CVS"	the Corporate Venturing Scheme and related reliefs as detailed in Schedule 15 of the Finance Act 2000
"CVS relief"	reduction or deferral of corporation tax liability as a result of a CVS investment
"David Evans Warrant"	the warrant over 6,088,843 Existing Ordinary Shares issued to David Evans as part of the 2006 Admission

“Deferred Shares”	shares in the Company which have a nominal value of 0.9p, are non-voting, carry no rights to dividends, have a minimal entitlement to share in the Company’s capital and will not be listed or quoted on any recognised investment exchange
“Directors”	David Eric Evans, Andrew William Shepherd, Kieron Antony Harbinson, and Michael Stephen Gurner
“Earn Out Calculation”	payment based on 7 per cent. of sales of CNS Products and 7 per cent. of sales of Genesis Products
“Earn Out Period”	the period from 1 November 2006 until 31 October 2009
“ECS”	ECS International Trustees (Gibraltar) Limited
“EIS”	The Enterprise Investment Scheme as detailed in Chapter III, ICTA 1988
“Enlarged Group”	the Company and its subsidiaries from time to time, from Admission
“Enlarged Issued Share Capital”	the entire issued share capital of the Company immediately following Admission
“Existing Ordinary Shares”	the 123,245,615 Ordinary Shares of 1p each in issue at the date of this document
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at the offices of Brodies LLP, 15 Atholl Crescent, Edinburgh EH3 8HA at 11.30 am on 30 August 2007
“First Admission”	the admission of 9,684,470 New Ordinary Shares to trading on AIM, becoming effective in accordance with the AIM Rules
“Form of Proxy”	the form of proxy to be used by Shareholders in respect of the Extraordinary General Meeting

“FSA”	the Financial Services Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000, as amended including any regulations made pursuant thereto
“Genesis”	Genesis Diagnostics Limited, a private limited company registered in England & Wales with registered number 02924988
“Genesis-CNS”	Genesis and CNS
“Genesis Products”	means microarray based tests for autoimmune and food intolerance/allergy and Food Detective® kits and autoimmune detective kits (i.e. kits based on the macroarray text format in 16 or 48 spot formats) in any case as developed by Genesis and in existence as at 31 October 2006
“HMRC”	HM Revenue & Customs
“IFRS”	International Financial Reporting Standards as adopted by the European Union
“Interim Period”	the period from signature of the Acquisition Agreement until Completion
“Intermediate Ordinary Shares”	the Ordinary Shares of 0.1p each after creation of the Deferred Shares but before the Share Consolidation
“Kieron Harbinson Option Arrangement”	the arrangement between Kieron Harbinson, a Director, and the Company
“Listing Rules”	the rules for listing issued by the UK Listing Authority
“London Stock Exchange”	London Stock Exchange plc
“Longstop Date”	17 September 2007

“New Ordinary Shares”	ordinary shares of 4p each in the capital of the Company following the Capital Reorganisation and the Share Consolidation
“Omega” or “Company”	Omega Diagnostics Group PLC
“Ongoing Directors”	the Directors and the Proposed Director
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Placing”	the conditional placing by Teather & Greenwood of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement between the Directors (1), the Proposed Director (2), the Company (3) and Teather & Greenwood (4), dated 3 August 2007, relating to the Placing and Admission
“Placing Price”	the price of 30p per Placing Share
“Placing Shares”	the 7,333,333 New Ordinary Shares to be issued by the Company pursuant to the Placing
“Products”	the CNS Products and the Genesis Products
“Proposals”	the proposals for the Acquisition, the Placing, the Capital Reorganisation and the Share Consolidation
“Proposed Director”	Michael Strachan Walker, to be appointed as a Non-Executive Director of the Company on Admission
“Record Date”	close of business on 30 August 2007
“Registrars”	Share Registrars Limited
“Resolutions”	the resolutions to be proposed at the Extraordinary General Meeting

“Second Admission”	the admission of 5,191,223 New Ordinary Shares to trading on AIM, becoming effective in accordance with the AIM Rules
“Shareholder”	a holder of Ordinary Shares or New Ordinary Shares, as applicable, from time to time
“Share Consolidation”	the proposed consolidation of every 40 Intermediate Ordinary Shares into 1 New Ordinary Share the Omega Diagnostics Group PLC share option plan
“Share Option Scheme”	the Omega Diagnostics Group PLC share option plan
“Teather & Greenwood”	Teather & Greenwood Limited, which is authorised and regulated in the United Kingdom by the FSA
“the 2006 Directors’ Arrangements”	the Andrew Shepherd Deferred Salary Arrangements, the Kieron Harbinson Option Agreement and the David Evans Warrant
“the Transaction”	the Acquisition, the Placing, the Capital Reorganisation, the Share Consolidation and the Capital Reduction in their entirety
“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on the Company’s register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“VCT”	venture capital trust for the purposes of section 842AA and Schedule 28B of the Income and Corporation Taxes Act 1988
“Vendors”	the shareholders of Genesis and CNS

“Warrantors”

Dr Michael Strachan Walker and Irene Crawford Walker, who are each providing certain warranties pursuant to the Acquisition Agreement

END

Close

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