



NEOGENOMICS, INC PRESS RELEASE

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FOR IMMEDIATE RELEASE

NeoGenomics Announces Fourth Quarter and Full Year 2008 Financial Results

Ft. Myers, Florida – March 5, 2009 - NeoGenomics, Inc. (NASDAQ OTC BB: NGNM), an operator of a network of cancer-focused testing laboratories, today announced its results for the fourth quarter and full-year ended December 31, 2008.

Fourth Quarter 2008 Highlights:

- **Revenue of \$5.9 million, an increase of 56% year-over-year from Q4 07**
- **17.2% sequential increase in revenues in Q4 08 vs. Q3 08**
- **Avg. Rev/Requisition increased 13.7% in Q4 08 from Q4 07**
- **Avg. Rev/Test increased 9.6% in Q4 08 from Q4 07**
- **Development of in-house molecular testing capability**

Fiscal Year 2008 Highlights:

- **Revenue of \$20.0 million, an increase of 74% year-over-year from FY 07**
- **Avg. Rev/Requisition increased 15% in FY 08 from FY 07**
- **Avg. Rev/Test increased 12.3% in FY 08 from FY 07**
- **Days Sales Outstanding (DSO) declined to 45 days on 12/31/08 from 79 on 12/31/07**

Fourth Quarter 2008

Revenues increased 56.0% year-over-year to \$5.9 million in Q4 08 from Q4 07. Requisitions increased 37.2% and average revenue/requisition increased 13.7% to \$819.77. Gross profit increased 65.8% to approximately \$3.1 million in Q4 08. Gross profit margin increased by 310 basis points to 53.1% in Q4 08 from 50.0% in Q4 07. Selling, general and administrative (“SG&A”) expenses increased 11.0% to approximately \$3.8 million. However, SG&A expenses as a percentage of revenue fell to 64.8% in Q4 08 from 91.1% in Q4 07. Net loss decreased by approximately \$601,000 to (\$994,000) or (\$0.03)/share in Q4 08 from (\$1,596,000) or (\$0.05/share) in Q4 07.

SG&A expenses in the fourth quarter included the write-off of approximately \$318,000 of previously capitalized transaction expenses incurred in connection with exploring a strategic transaction which we ultimately determined was not in our shareholders' best interests to consummate. Fourth quarter SG&A also includes a charge of \$200,000 to fully reserve for potential losses in our investment in Power3 Medical Products, Inc. Based on Power 3's February 19th 8-K filing and recent conversations with their management team, we have concluded that it is more likely than not that we will be unable to realize any value from this investment. We also took approximately \$415,000 of incremental bad debt expense in Q4 08 over and above what we took in Q3 08 in order to write off the rest of the accounts receivable balance left in our previous billing system, which was replaced in March 2008, and provide for a more adequate reserve balance against our current receivables in light of the current economic conditions. Absent these expenses, we would have been approximately break-even in the fourth quarter and our SG&A as a percentage of revenue would have been in-line with the trend we reported in Q3 08.

Robert Gasparini, the Company's President and Chief Scientific Officer, stated, "We continue to be very pleased with the momentum in our business. 2008 was the second year in a row that we were able to grow our revenues by approximately 75% and we accomplished much during the year, including rolling out many new products, growing our sales force considerably and achieving near break-even in our cash flow from operations. Although our fourth quarter included a number of unusual expense items which adversely impacted our bottom-line, our business is very strong on a current operating basis. As we have seen in our industry, it takes approximately \$2.0 - \$2.5 million of monthly revenues to derive any real operating leverage. Now that we have reached that threshold, we expect to be able to invest a much larger portion of our incremental revenue into sales and marketing initiatives. Indeed, we believe we have now concluded the most difficult part of our corporate evolution and are very much looking forward to Phase II of the Company's development, which we expect will begin with robust and profitable growth in 2009."

Mr. Gasparini continued, "I am also pleased to report that in Q4 we began performing molecular genetic testing in-house. During Q4, we brought up and validated both the BCR/ABL and JAK2 molecular tests and began to offer them to clients. Although molecular testing volumes are currently modest, by bringing this capability in-house, we are able to save on the significant costs of sending these types of tests out. During 2009, we expect to bring up another 6-8 molecular tests. During Q4, we also made significant strides in further developing our in-house immunohistochemistry product line. We validated over 100 antibodies and have already grown this business to approximately \$100,000/month in revenue. We are also in the process of developing a number of other new product line extensions which we expect to begin launching later this year."

Full Year 2008

For the full-year of 2008, revenues increased by \$8.5 million or 74.0% to \$20.0 million from \$11.5 million in 2007. Requisitions increased by 51.2% and average revenue/requisition increased by 15.0%. Gross profit increased by 78.2% or approximately \$4.7 million to approximately \$10.7 million in the full-year of 2008. SG&A expenses increased 26.6% to approximately \$11.5 million for the full-year of 2008. The increases in SG&A are primarily the result of adding sales and marketing and corporate personnel to continue to scale our business. SG&A as a percentage of revenue fell to 57.7% for the full-year of 2008 from 79.3% in the comparable period in 2007. Net loss decreased by approximately \$1,998,000 to (\$1,383,000) or (\$0.04/share) for the full-year of 2008 from (\$3,380,173) or (\$0.11/share) for the comparable period in 2007.

Conference Call

The Company has scheduled a webcast and conference call to discuss their Q4 and full year 2008 results at 11:00 AM EST today. Interested investors should dial (877) 407-8033 (domestic) and (201) 689-8033 (international) at least five minutes prior to the call. A replay of the conference call will be available until 11:59 PM on March 12, 2009 and can be accessed by dialing (877) 660-6853 (domestic) and 1(201) 612-7415 (international). The playback conference ID Number is 315878 and the PIN Number is 286. The web-cast may be accessed under the Investor Relations section of our website at <http://www.neogenomics.org> or at <http://www.vcall.com/IC/CEPage.asp?ID=129616>. An archive of the web-cast will be available until 11:59 PM EST on March 6, 2010.

About NeoGenomics, Inc.

NeoGenomics, Inc. is a high-complexity CLIA–certified clinical laboratory that specializes in cancer genetics diagnostic testing, the fastest growing segment of the laboratory industry. The company’s testing services include cytogenetics, fluorescence in-situ hybridization (FISH), flow cytometry, morphology studies, anatomic pathology and molecular genetic testing. Headquartered in Fort Myers, FL, NeoGenomics has labs in Nashville, TN, Irvine, CA and Fort Myers and services the needs of pathologists, oncologists, urologists, hospitals and other reference laboratories throughout the United States. For additional information about NeoGenomics, visit <http://www.neogenomics.org>.

Interested parties can also access additional investor relations material from the American Microcap Institute at <http://www.americanmicrocapinstitute.com/ngnm/> or from Hawk Associates at <http://www.hawkassociates.com>. An investment profile about NeoGenomics may be found at <http://www.hawkassociates.com/ngnmprofile.aspx>.

Forward Looking Statements

Except for historical information, all of the statements, expectations and assumptions contained in the foregoing are forward-looking statements. These forward looking statements involve a number of risks and uncertainties that could cause actual future results to differ materially from those anticipated in the forward looking statements. Actual results could differ materially from such statements expressed or implied herein. Factors that might cause such a difference include, among others, the company’s ability to continue gaining new customers, offer new types of tests, and otherwise implement its business plan. As a result, this press release should be read in conjunction with the company's periodic filings with the SEC.

NeoGenomics, Inc.

**CONSOLIDATED BALANCE SHEET AS OF
December 31, 2008 and December 31, 2007
(unaudited)**

<u>ASSETS</u>	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Cash and cash equivalents	\$ 468,171	\$ 210,573
Accounts Receivable (net of allowance for doubtful accounts of \$358,642 and \$414,548, respectively)	2,913,531	3,236,751
Other Current Assets	<u>1,324,416</u>	<u>704,918</u>
TOTAL CURRENT ASSETS	4,706,118	4,152,242
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$1,602,594 and \$862,030, respectively)	2,875,297	2,108,083
OTHER ASSETS	<u>64,509</u>	<u>260,575</u>
TOTAL	<u>\$ 7,645,924</u>	<u>\$ 6,520,900</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES	\$ 4,390,994	\$ 3,361,705
LONG TERM LIABILITIES	<u>1,403,271</u>	<u>837,081</u>
TOTAL LIABILITIES	5,794,265	4,198,786
STOCKHOLDERS' EQUITY	<u>1,851,659</u>	<u>2,322,114</u>
TOTAL	<u>\$ 7,645,924</u>	<u>\$ 6,520,900</u>

NeoGenomics, Inc.

**CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)**

	For the Twelve- Months Ended December 31, 2008	For the Twelve- Months Ended December 31, 2007	For the Three- Months Ended December 31, 2008	For the Three- Months Ended December 31, 2007
REVENUE	\$ 20,015,319	\$ 11,504,725	\$ 5,920,360	\$ 3,795,316
COST OF REVENUE	<u>9,353,852</u>	<u>5,522,775</u>	<u>2,776,302</u>	<u>1,898,914</u>
GROSS PROFIT	<u>10,661,467</u>	<u>5,981,950</u>	<u>3,144,058</u>	<u>1,896,402</u>
OPERATING EXPENSES:				
Selling, general and administrative	<u>11,545,456</u>	<u>9,122,922</u>	<u>3,839,172</u>	<u>3,458,869</u>
Total operating expenses	<u>11,545,456</u>	<u>9,122,922</u>	<u>3,839,172</u>	<u>3,458,869</u>
Income (loss) from operations	(883,989)	(3,140,972)	(695,114)	(1,562,467)
Other income (loss)				
Interest income/(expense), net	(298,597)	(239,200)	(99,261)	(33,395)
Loss on investments	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Other Income (loss)	<u>(498,597)</u>	<u>(239,200)</u>	<u>(299,261)</u>	<u>(33,395)</u>
NET INCOME (LOSS)	<u>\$ (1,382,586)</u>	<u>\$ (3,380,172)</u>	<u>\$ (994,375)</u>	<u>\$ (1,595,862)</u>
NET INCOME (LOSS) PER SHARE				
- Basic and Diluted	<u>\$ (0.04)</u>	<u>\$ (0.11)</u>	<u>\$ (0.03)</u>	<u>\$ (0.05)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING –				
Basic and Diluted	<u>31,506,824</u>	<u>29,764,289</u>	<u>31,870,605</u>	<u>31,374,096</u>

NeoGenomics, Inc.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)**

	For the Twelve-Months Ended December 31, 2008	For the Twelve-Months Ended December 31, 2007
NET CASH USED IN OPERATING ACTIVITIES	\$ (413,805)	\$ (2,642,591)
NET CASH USED IN INVESTING ACTIVITIES	(501,781)	(716,144)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>1,173,184</u>	<u>3,443,042</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	257,598	84,307
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	210,573	126,266
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 468,171</u>	<u>\$ 210,573</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ <u>256,323</u>	\$ <u>204,670</u>
Income taxes paid	\$ <u>-</u>	\$ <u>-</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equipment leased under capital lease	\$ <u>1,207,863</u>	\$ <u>703,145</u>

NeoGenomics, Inc.

Supplemental Information on Customer Requisitions Received and Tests Performed

	For the Twelve- Months Ended Dec 31, 2008	For the Twelve- Months Ended Dec 31, 2007	% Inc (Dec)	For the Three- Months Ended Dec 31, 2008	For the Three- Months Ended Dec 31, 2007	% Inc (Dec)
Requisitions Rec'd (Cases)	24,780	16,385	51.2%	7,222	5,262	37.2%
# of Tests Performed	32,539	20,998	55.0%	9,490	6,666	42.4%
Avg. # of Tests / Case	1.31	1.28	2.3%	1.31	1.27	3.7%
Testing Revenue	\$20,015,319	\$11,504,725	74.0%	\$5,920,360	\$3,795,317	56.0%
Avg Revenue/Requisition	\$ 807.72	\$ 702.15	15.0%	\$ 819.77	\$ 721.27	13.7%
Avg Revenue/Test	\$ 615.12	\$ 547.90	12.3%	\$ 623.85	\$ 569.35	9.6%
