



NEOGENOMICS, INC PRESS RELEASE

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FOR IMMEDIATE RELEASE

NeoGenomics Announces Results for the Fourth Quarter and Full Year FY 2007

Also Announces Preliminary Agreement to Settle Litigation with US Labs

Ft. Myers, Florida – March 18, 2008 - NeoGenomics, Inc. (NASD OTC BB: NGNM) today announced its results for the fourth quarter and full year of fiscal 2007. Significant accomplishments during the fourth quarter and calendar year included the following:

Fourth Quarter 2007 Highlights:

- **Revenue of \$3.8 million, an increase of 115% year-over-year from Q4 06**
- **Avg. Rev/Requisition increased 12.5% in Q4 07 from Q4 06**
- **22% sequential increase in revenues in Q4 07 vs. Q3 07**
- **Hiring of additional 7 sales representatives**
- **Roll-out of our NeoFLOW™ product**
- **Almost tripling in size of our Ft. Myers, FL headquarters location**

Fiscal Year 2007 Highlights:

- **Revenue of \$11.5 million, an increase of 78% from \$6.5 million in FY 06**
- **Avg. Revenue/Test increased 8.6% in FY 07 from FY 06**
- **Received CAP Accreditation for all specialties in all of our laboratory locations**
- **Continued rapid expansion of NeoFISH™ tech-only FISH services**

Robert Gasparini, the Company's President, stated, "Before discussing our results, I am happy to report that we have reached a preliminary agreement to settle US Labs' claims against the Company and certain of its officers and employees. Under the terms of the agreement, NeoGenomics, on behalf of all defendants, will make a \$250,000 payment to US Labs within thirty days and pay another \$250,000 over the remaining nine months of this year. We expect that approximately 50% of these

payments will be covered by our insurance policies. As a result, our fourth quarter financials include a \$250,000 charge to cover the Company's expected portion of this settlement and an additional \$125,000 charge to cover the Company's portion of the estimated legal fees incurred in Q1 up to the date of settlement. We are pleased to finally put this litigation behind us and, we are excited to begin reporting financial results that are unburdened by these litigation expenses in 2008."

For the fourth quarter revenues were approximately \$3.8 million, an increase of 115% over revenues of approximately \$1.8 million for the comparable period in 2006. This level of revenue also reflected a 22% sequential increase from Q3 07. Gross profit in the fourth quarter increased to approximately \$1.9 million, or 50% of revenues, from approximately \$1.0 million, or 58% of revenues, for the fourth quarter of 2006. The gross margin decrease was the result of fixed facility costs related to three locations compared to only 2 facilities in 2006 as well as the result of hiring difficult-to-recruit technical personnel in advance of test volumes. In addition, we believe we only operated at approximately 70-75% of capacity during Q4, which also negatively impacted our margins.

Selling, general and administrative ("SG&A") expenses in the fourth quarter were approximately \$3.3 million, an increase of approximately \$1.9 million or 131% from Q4 06. However, SG&A in Q4 07 included approximately \$422,000 of litigation related expenses (net of insurance reimbursements, but including the \$375,000 contingency loss charges for the US Labs settlement and attorneys' fees discussed above) versus approximately \$153,000 for the comparable period in FY 2006. SG&A in the fourth quarter also included approximately \$104,000 of registration penalties in connection with delays in effecting a registration statement for the shares sold in our June 2007 private placement. Compensation related expenses increased approximately 134% to 1.3 million from \$562,000 in Q4 06. These increases were primarily the result of hiring additional management, sales and back office personnel that were required to scale our revenues. The seven new sales personnel added in the fourth quarter alone resulted in incremental expenses of approximately \$300,000 as compared to the comparable period in 2006. GAAP net loss for the fourth quarter of 2007 was approximately \$1.4 million, or (\$0.05) per basic and diluted share compared to a net loss of \$0.4M, or (\$0.02) per basic and diluted share for the comparable period in 2006.

For the fiscal year ended December 31, 2007, revenues were approximately \$11.5 million, an increase of 78% over revenues of approximately \$6.5 million for FY 2006. This increase in revenues was primarily due to the deployment of additional sales personnel and products. Gross profit for FY 2007 increased to approximately \$6.0 million, or 52% of revenues, from approximately \$3.7 million, or 57% of revenues, for FY 2006. The decline in gross margin was primarily due to additional facilities expense and hiring of critical laboratory personnel in advance of corresponding test volumes so that we could further scale our business.

Selling, general and administrative expenses for FY 2007 were approximately \$8.9 million, an increase of approximately 150% from FY 2006. However, SG&A in FY 2007 included approximately \$994,000 of litigation related expenses (net of insurance reimbursements) as compared to approximately 153,000 in FY 2006. Other increases in SG&A were primarily due to incremental compensation related expenses for the additional management, sales and back office personnel. During FY 2007, we effectively doubled our total personnel to 93 full-time equivalent people on December 31, 2007 from 47 on December 31, 2006. In addition, in FY 2007 we incurred additional professional fees, technology expenses and bad debt expense associated with scaling our revenue. GAAP net loss for FY 2007 was approximately \$3.2 million, or (\$0.11) per basic and diluted share compared to a net loss of \$0.1 million, or \$0.00 per basic and diluted share for FY 2006.

Robert Gasparini, the Company's President, stated, "Although our net losses for Q4 and FY 2007 are disappointing, for the first time in this Company's history, we now have the personnel and physical infrastructure in place to scale revenue more aggressively without impacting our quality of service or adding a lot more cost to our structure. As we begin to utilize our excess capacity and realize the benefits of increased operating leverage, we believe we can increase gross margins back into the 53-57% range for 2008. We also believe that SG&A expenses as a percentage of revenue will stabilize and then begin to fall through the remainder of 2008.

Mr. Gasparini continued, "In December 2007, we were able to sublease an additional 17,000 square feet of contiguous space bringing our total space in Fort Myers, FL to approximately 26,000 square feet. We believe this will allow us ample room to scale operations in Florida over the next two years. In addition, we now have the products to compete effectively against any other cancer genetics lab in the US. During Q4, we augmented our industry leading NeoFISH™ product with a technical component only NeoFLOW™ product. The NeoFISH™ product continues to be our fastest growing product offering and we are beginning to see good traction with NeoFLOW™. Both of these are among our most profitable products."

Mr. Gasparini concluded by saying, "We have spent the last three years getting ready and laying the foundation for the year we expect to have in 2008. The investments we made in FY 2007 in additional management, sales and office personnel are already starting to pay dividends. As one small example, in Q4 2007 we replaced and augmented our billing and collections team. After netting out a \$126,000 D&O insurance receivable from our total accounts receivable balance, our days sales outstanding ("DSO") at December 31, 2007 was approximately 78 days, down from 81 days on September 30, 2007. By the end of January our rolling three months DSO had fallen to 71 days. As a result, we turned cash flow from operations positive in January and we should be cash flow from operations positive for all of Q1. Although we are still likely to post a modest GAAP loss for all of Q1, we are on track to turn profitable on a monthly basis in the month of March."

The Company has also scheduled a web-cast and conference call to discuss these fourth quarter and full year results later today (Tuesday, March 18, 2008) at 11:00 AM EST. Interested investors should dial (877) 407-0778 (domestic) and (201) 689-8565 (international) at least five minutes prior to the call. A replay of the conference call will be available until 11:59 PM on April 1, 2008 and can be accessed by dialing (877) 660-6853 (domestic) and (201) 612-7415 (international). The playback account number is 286 and the playback conference ID Number/PIN Number is 278576. The web-cast may be accessed under the Investor Relations section of our website at <http://www.neogenomics.org> or at the website of our Investor Relations firm, Hawk Associates, at <http://www.hawkassociates.com/ngnmmore.aspx> or at <http://www.vcall.com/IC/CEPage.asp?ID=122792>. An archive of the web-cast will be available until 11:59 PM EST on June 19, 2008.

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 select 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, 2007
(unaudited)**

ASSETS

CURRENT ASSETS	\$ 4,152,241
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$862,030)	2,108,083
OTHER ASSETS	<u>260,575</u>
TOTAL	<u>\$ 6,520,899</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	\$ 3,184,356
LONG TERM LIABILITIES	<u>837,080</u>
TOTAL LIABILITIES	3,896,436
STOCKHOLDERS' EQUITY	<u>2,499,463</u>
TOTAL	<u>\$ 6,520,899</u>

NeoGenomics, Inc.

**CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)**

	For the Twelve- Months Ended December 31, 2007	For the Twelve- Months Ended December 31, 2006	For the Three- Months Ended December 31, 2007	For the Three- Months Ended December 31, 2006
REVENUE	\$ 11,504,725	\$ 6,475,996	\$ 3,795,316	\$ 1,762,824
COST OF REVENUE	<u>5,522,774</u>	<u>2,759,190</u>	<u>1,898,914</u>	<u>735,711</u>
GROSS PROFIT	<u>5,981,951</u>	<u>3,716,806</u>	<u>1,896,402</u>	<u>1,027,113</u>
OPERATING EXPENSES:				
Selling, general and administrative	8,945,574	3,576,812	3,281,521	1,418,341
Interest (income) expense, net	<u>239,200</u>	<u>269,655</u>	<u>33,395</u>	<u>38,017</u>
Total operating expenses	<u>9,184,774</u>	<u>3,846,467</u>	<u>3,314,916</u>	<u>1,456,358</u>
NET INCOME (LOSS)	<u>\$ (3,202,823)</u>	<u>\$ (129,661)</u>	<u>\$ (1,418,514)</u>	<u>\$ (429,245)</u>
NET INCOME (LOSS) PER SHARE				
- Basic and Diluted	<u>\$ (0.11)</u>	<u>\$ (0.00)</u>	<u>\$ (0.05)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING –				
Basic and Diluted	<u>29,764,289</u>	<u>26,166,031</u>	<u>31,374,096</u>	<u>26,981,171</u>

NeoGenomics, Inc.

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

	For the Twelve-Months Ended December 31, 2007	For the Twelve-Months Ended December 31, 2006
NET CASH USED IN OPERATING ACTIVITIES	\$ (2,803,744)	\$ (693,782)
NET CASH USED IN INVESTING ACTIVITIES	(716,144)	(398,618)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,604,195</u>	<u>1,207,722</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	84,307	115,322
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	126,266	10,944
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 210,573</u>	<u>\$ 126,266</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ <u>204,670</u>	\$ <u>269,316</u>
Income taxes paid	\$ <u>-</u>	\$ <u>-</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equipment leased under capital lease	\$ <u>703,146</u>	\$ <u>602,357</u>
Common stock issued for acquisition	\$ <u>-</u>	\$ <u>50,000</u>
Common stock issued for Cornell Capital financing fees	\$ <u>-</u>	\$ <u>50,000</u>

NeoGenomics, Inc.

Supplemental Information on Customer Requisitions Received and Tests Performed

	For the Twelve- Months Ended Dec 31, 2007	For the Twelve- Months Ended Dec 31, 2006	% Inc (Dec)	For the Three- Months Ended Dec 31, 2007	For the Three- Months Ended Dec 31, 2006	% Inc (Dec)
Requisitions Rec'd (Cases)	16,385	9,563	71.3%	5,262	2,750	91.3%
# of Tests Performed	20,998	12,838	63.6%	6,666	3,377	97.4%
Avg. # of Tests / Case	1.28	1.34	(5%)	1.27	1.23	3.2%
Testing Revenue	\$11,504,725	\$6,475,996	77.7%	\$3,795,317	\$1,762,824	115.3%
Avg Revenue/Requisition	\$ 702.15	\$ 677.19	3.7%	\$ 721.27	\$ 641.02	12.5%
Avg Revenue/Test	\$ 547.90	\$ 504.44	8.6%	\$ 569.35	\$ 522.01	9.1%
