



NEOGENOMICS, INC PRESS RELEASE

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FOR IMMEDIATE RELEASE

NeoGenomics Announces Results for the Second Quarter of Fiscal Year 2008

Ft. Myers, Florida – July 31, 2008 - NeoGenomics, Inc. (NASDAQ OTC BB: NGNM) today announced its results for the second quarter of 2008. Significant accomplishments during the quarter included the following:

Second Quarter 2008 Highlights:

- **108% year-over-year increase in revenue vs. Q2 07**
- **17% sequential increase in revenue vs. Q1 08**
- **Significant momentum garnered from California hematopathology initiative**
- **Average number of tests/requisition increased 8.0% to 1.35 from 1.25 in Q1 08**
- **Net income increased by approximately \$1.05 million from Q2 07 to achieve quarterly profitability in Q2 08**

Second Quarter Performance

Second quarter revenues increased 108% to \$4.9 million on a year over year basis from Q2 07. Requisitions increased 69% and average revenue per requisition increased 24% to \$835. The increase in average revenue/requisition was driven by a greater percentage of flow cytometry in our testing mix as well as increases in the Medicare reimbursement rates for the technical component of FISH and flow cytometry relative to last year. Gross profit margin increased by approximately 500 basis points (5%) to 55.3% from 50.3% in the comparable period last year. Selling, general and administrative (SG&A) expenses increased 24% to approximately \$2.6 million. Net income increased by \$1,045,000 to \$72,000 or \$0.00/share from (\$973,000) or (\$0.03/share) in Q2 07.

Robert Gasparini, the Company's President and Chief Scientific Officer, stated, "We saw terrific growth in the second quarter. While the year over year revenue growth of 108% was robust, the sequential revenue growth of 17% relative to Q1 08 was also strong. I am particularly pleased with the success of our California Heme-Path initiative that we started in late April. This initiative received rapid market acceptance in Southern California, and I am happy to report that it has been profitable since inception. The resulting increase in leukemia/lymphoma cases received, which typically have 2-4 tests ordered for each requisition, led to an 8% increase in our overall average number of tests performed per requisition relative to Q1 08. Increases in this important metric lead to more operating leverage in our business, and we are hopeful that we can continue to increase it further in coming quarters."

Mr. Gasparini continued, "I am also pleased to report that despite our robust revenue growth, we were able to hold our SG&A expenses in check and finally begin to realize significant economies of scale on the investments in people and infrastructure we previously made. Indeed, SG&A expenses as a percentage of revenue decreased from approximately 88% in Q2 07 to approximately 52% in Q2 08. Furthermore, on a sequential basis, SG&A expenses increased by only \$42,000 or 1.7% relative to Q1 08. All of these sequential increases were in our sales and marketing department where we continue to invest for growth, and the corporate general and administrative expenses were flat relative to the first quarter. Our strong revenue momentum coupled with our tight control of SG&A expenses enabled us to turn profitable for the second quarter. In fact, now that we have reached the inflection point in our business, we were able to turn 47% of the incremental \$719,000 in revenue from Q1 08 into profits for the second quarter."

First Half Performance

For the first six months of 2008, revenue increased by 97% to \$9.04 million from the comparable period in 2007. Requisitions increased by 72% and average revenue/requisition increased by 15%. Gross profit margin increased by approximately 110 basis points to 55.3% from 54.2% for the first six months of 2007. SG&A expenses increased by 45% to \$5.07 million for the first six months of 2008. These increases in SG&A are primarily the result of adding sales and marketing and corporate personnel to continue to scale our business. Net income for the first six months of 2008 increased by approximately \$1,000,000 to (\$193,000) or (\$0.01/share) from (\$1,193,000) or (\$0.04/share) for comparable period in 2007.

Mr. Gasparini concluded by saying, "Moving forward, we expect to continue to scale revenues as rapidly as possible without compromising quality, but we will need to continue to add laboratory personnel to support this growth. In addition, we plan to continue to add sales representatives as the year unfolds to better position ourselves for 2009, but we don't expect to add much additional general and administrative headcount to our corporate overhead. In fact, we have already made four net new sales hires during the third quarter. While we always strive to match incremental expense with incremental revenue, this is a fairly difficult and complex choreography and it is not always easy to get the timing right. For example, it generally takes 2-4 months to bring new sales representatives up to full productivity. Shareholders should expect that we will continue to invest in growth initiatives that will provide long-term shareholder value, and as a result, it may not be possible to consistently drop as large a percentage of our incremental revenue to net income as we did in the second quarter. Rest assured however, that we will strive to balance investing for growth initiatives with our strong desire for profits."

The Company has scheduled a webcast and conference call to discuss these results later this morning at 11:00 AM EST. 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 August 15, 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 292749. 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=119616>. An archive of the web-cast will be available until 11:59 PM EST on November 1, 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, and hospitals 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/clients/additional/index.cfm?client_id=10.

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
June 30, 2008
(unaudited)**

ASSETS

CURRENT ASSETS	\$ 5,194,477
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$1,185,750)	2,215,613
OTHER ASSETS	<u>255,566</u>
TOTAL	<u>\$ 7,665,656</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	\$ 4,480,340
LONG TERM LIABILITIES	<u>854,293</u>
TOTAL LIABILITIES	5,334,633
STOCKHOLDERS' EQUITY	<u>2,331,023</u>
TOTAL	<u>\$ 7,665,656</u>

NeoGenomics, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three- Months Ended June 30, 2008	For the Three- Months Ended June 30, 2007	For the Six-Months Ended June 30, 2008	For the Six-Months Ended June 30, 2007
REVENUE	\$ 4,881,402	\$ 2,344,032	\$ 9,044,164	\$ 4,586,694
COST OF REVENUE	<u>2,183,758</u>	<u>1,165,813</u>	<u>4,042,231</u>	<u>2,102,546</u>
GROSS PROFIT	<u>2,697,644</u>	<u>1,178,219</u>	<u>5,001,933</u>	<u>2,484,148</u>
OPERATING EXPENSES:				
Selling, general and administrative	2,556,121	2,059,166	5,070,676	3,485,713
Interest (income) expense, net	<u>69,246</u>	<u>92,556</u>	<u>124,342</u>	<u>191,480</u>
Total operating expenses	<u>2,625,367</u>	<u>2,151,722</u>	<u>5,195,018</u>	<u>3,677,193</u>
NET INCOME (LOSS)	<u>\$ 72,277</u>	<u>\$ (973,503)</u>	<u>\$ (193,085)</u>	<u>\$ (1,193,045)</u>
NET INCOME (LOSS) PER SHARE				
- Basic	<u>\$ 0.00</u>	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>
- Diluted	<u>\$ 0.00</u>	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING –				
Basic	<u>31,367,144</u>	<u>28,941,466</u>	<u>31,383,824</u>	<u>28,160,643</u>
Diluted	<u>38,243,857</u>	<u>28,941,466</u>	<u>31,383,824</u>	<u>28,160,643</u>

NeoGenomics, Inc.

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

	For the Six-Months Ended June 30, 2008	For the Six-Months Ended June 30, 2007
NET CASH USED IN OPERATING ACTIVITIES	\$ (521,601)	\$ (1,567,822)
NET CASH USED IN INVESTING ACTIVITIES	(170,764)	(421,264)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>923,979</u>	<u>3,484,699</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	231,614	1,495,613
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	210,573	126,264
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 442,187</u>	<u>\$ 1,621,877</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ <u>107,820</u>	\$ <u>163,282</u>
Income taxes paid	\$ <u>-</u>	\$ <u>-</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equipment leased under capital lease	\$ <u>220,687</u>	\$ <u>272,265</u>

NeoGenomics, Inc.

Supplemental Information on Customer Requisitions Received and Tests Performed

	For the Three- Months Ended June 30, 2008	For the Three- Months Ended June 30, 2007	% Inc (Dec)	For the Six- Months Ended June 30, 2008	For the Six- Months Ended June 30, 2007	% Inc (Dec)
Requisitions Rec'd (cases)	5,845	3,468	68.5%	11,250	6,551	71.7%
Number of Tests Performed	7,906	4,482	76.4%	14,665	8,678	69.0%
Avg. # of Tests / Requisition	1.35	1.29	4.7%	1.30	1.32	(1.5%)
Total Testing Revenue	\$4,881,402	\$2,344,032	108.2%	\$9,044,164	\$4,586,694	97.2%
Avg Revenue/Requisition	\$ 835.14	\$ 675.90	23.6%	\$ 803.93	\$ 700.15	14.8%
Avg Revenue/Test	\$ 617.43	\$ 522.99	18.1%	\$ 616.72	\$ 528.54	16.7%
