



**NEOGENOMICS, INC.
PRESS RELEASE**

FOR IMMEDIATE RELEASE

NeoGenomics Reports Third Quarter 2010 Results

Ft. Myers, Florida – October 28, 2010 - NeoGenomics, Inc. (NASDAQ OTC BB: NGNM), a leading provider of cancer-focused genetic testing services today reported its results for the third quarter 2010.

Third Quarter 2010 Highlights:

- **Revenue growth of 19 % vs. Q3 2009**
- **Test volume growth of 29% vs. Q3 2009**
- **Average revenue/test increased by 2.5% sequentially vs. Q2 2010**
- **Completed implementation of next generation laboratory information system**

Revenue for the three months ended September 30, 2010 was \$8.7 million, a 19% increase over the \$7.3 million reported in the third quarter 2009. Test volume increased by approximately 29% over the comparable quarter last year. After adjusting for the impacts caused by internalization of bladder cancer FISH testing and immunohistochemistry testing by the Company's largest client beginning in mid 2009, revenue and test volume growth from all other clients was approximately 24% and 42%, respectively. Average revenue per test stabilized in the third quarter at approximately \$601, marking the first quarterly sequential increase in over a year.

Sales and marketing expenses increased by approximately \$190,000, or 11% over last year, driven primarily by an increase in the number of sales and marketing personnel and sales recruiting expenses. General and administrative expenses increased by approximately \$461,000, or 19%, primarily as a result of additional information technology personnel, R&D activities, and to approximately \$100,000 of non-recurring charges related to a reduction in force that was completed in September. The Company estimates that this reduction in force will result in approximately \$1.5 million of annual savings which will begin to take effect in the fourth quarter. Net loss for the quarter was \$1.2 million or (\$0.03)/share versus a net loss of \$755,000 or (\$0.02)/share in the third quarter 2009.

Doug VanOort, the Company's Chairman and CEO, commented, "Although our financial results don't fully reflect the improvements in our business yet, we believe the company is in a stronger position today than ever before. During the last quarter, we made significant changes in our management team, successfully converted our entire laboratory information system, and implemented changes to reduce our cost structure. We are continuing to implement initiatives to increase our sales force productivity, and with important managed care plans now under contract, we are beginning to experience price stabilization. It is also significant to note that the impact from the internalization of over \$4.0 million annually of high margin revenue by the company's largest customer is now fully behind us. Moving forward, we expect to grow from a more stable base of revenue and our team is focused on driving sustainable revenue growth and achieving profitability."

The Company also announced today that it expected to return to positive Adjusted EBITDA⁽¹⁾ in the fourth quarter and released preliminary guidance for 2011 of approximately \$41 to \$45 million of revenue and \$3.0 to \$5.0 million of Adjusted EBITDA. This guidance is based on organic growth in the current business, and the Company reserves the right to adjust this guidance at any time as a result of acquisitions or other strategic initiatives that it may undertake and/or based on the ongoing execution of its business plan. Current and prospective investors are encouraged to perform their own due diligence before buying or selling any of the Company's securities, and are reminded that the foregoing estimates should not be construed as a guarantee of future performance.

(1) Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and non-cash stock-based compensation expenses.

Conference Call

The Company has scheduled a web-cast and conference call to discuss their Q3 2010 results on October 28, 2010, at 11:00 AM EDT. 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 EDT on November 4, 2010 and can be accessed by dialing (877) 660-6853 (domestic) and (201) 612-7415 (international). The playback conference ID number is 359479 and the playback account/PIN number is 286. The web-cast may be accessed under the Investor Relations section of our website at <http://www.neogenomics.com> or <http://www.investorcalendar.com/IC/CEPage.asp?ID=162190>. An archive of the web-cast will be available until 11:59 PM EST on January 27, 2011.

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.com>.

For more news and information on NeoGenomics, please visit www.IRGnews.com/coi/NGNM where you can find a fact sheet on the company, investor presentations, and more. Interested parties can also access additional investor relations material, including an investment profile and an equity research report, from Hawk Associates at <http://www.hawkassociates.com> or from the American Microcap Institute at <http://www.americamicrocapinstitute.com/ngnm/>.

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.

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NeoGenomics, Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

<u>ASSETS</u>	<u>September 30, 2010</u> (unaudited)	<u>December 31, 2009</u>
Cash, cash equivalents	\$ 1,555	\$ 1,631
Restricted Cash	500	1,000
Accounts Receivable (net of allowance for doubtful accounts of \$1,281 and \$589, respectively)	5,630	4,632
Other Current Assets	<u>1,500</u>	<u>1,257</u>
TOTAL CURRENT ASSETS	9,185	8,520
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$4,084 and \$2,787, respectively)	5,010	4,340
OTHER ASSETS	<u>86</u>	<u>85</u>
TOTAL	\$ <u><u>14,281</u></u>	\$ <u><u>12,945</u></u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES	\$ 9,517	\$ 5,776
LONG TERM LIABILITIES	<u>1,389</u>	<u>1,526</u>
TOTAL LIABILITIES	10,906	7,302
STOCKHOLDERS' EQUITY	<u>3,375</u>	<u>5,643</u>
TOTAL	\$ <u><u>14,281</u></u>	\$ <u><u>12,945</u></u>

NEOGENOMICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	<u>For the Three-Months Ended</u> <u>September 30,</u>		<u>For the Nine-Months Ended</u> <u>September 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
NET REVENUE	\$ 8,708	\$ 7,297	\$ 25,616	\$ 21,670
COST OF REVENUE	<u>4,818</u>	<u>3,672</u>	<u>13,737</u>	<u>10,147</u>
GROSS PROFIT	<u>3,890</u>	<u>3,625</u>	<u>11,879</u>	<u>11,523</u>
OPERATING EXPENSES				
General and administrative	2,919	2,458	8,590	7,013
Sales and marketing	<u>1,983</u>	<u>1,793</u>	<u>5,689</u>	<u>4,850</u>
Total operating expenses	4,902	4,251	14,279	11,863
LOSS FROM OPERATIONS	<u>(1,012)</u>	<u>(626)</u>	<u>(2,400)</u>	<u>(340)</u>
INTEREST AND OTHER INCOME (EXPENSE) - NET	<u>(186)</u>	<u>(129)</u>	<u>(526)</u>	<u>(374)</u>
NET LOSS	<u>\$ (1,198)</u>	<u>\$ (755)</u>	<u>\$ (2,926)</u>	<u>\$ (714)</u>
NET LOSS PER SHARE				
- Basic and diluted	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>	<u>\$ (0.08)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING				
- Basic and diluted	<u>37,376,676</u>	<u>36,000,941</u>	<u>37,302,046</u>	<u>33,782,925</u>

The following is a reconciliation of GAAP net income to Non-GAAP EBITDA and Adjusted EBITDA.

	<u>For the Three-Months Ended</u> <u>September 30,</u>		<u>For the Nine-Months Ended</u> <u>September 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net loss	\$ (1,198)	\$ (755)	\$ (2,926)	\$ (714)
<i>Adjustments to Net Loss:</i>				
Interest expense (income), net	179	129	513	374
Income tax expense	7	-	13	-
Depreciation and amortization	<u>459</u>	<u>311</u>	<u>1,297</u>	<u>814</u>
EBITDA (1)	<u>(553)</u>	<u>(315)</u>	<u>(1,103)</u>	<u>474</u>
<i>Further Adjustments to EBITDA:</i>				
Non-cash stock-based compensation	<u>155</u>	<u>143</u>	<u>595</u>	<u>344</u>
Adjusted EBITDA	<u>(398)</u>	<u>(172)</u>	<u>(508)</u>	<u>818</u>

(1) Earnings before interest, taxes, depreciation and amortization.

NeoGenomics, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the Nine Months Ended September 30, 2010	For the Nine Months Ended September 30, 2009
NET CASH USED IN OPERATING ACTIVITIES	\$ (2,413)	\$ (1,046)
NET CASH USED IN INVESTING ACTIVITIES	(813)	(432)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,150</u>	<u>4,138</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(76)	2,660
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,631	468
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,555</u>	<u>\$ 3,128</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	<u>\$ 484</u>	<u>\$ 335</u>
Income taxes paid	<u>\$ 13</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equipment leased under capital lease and equipment loans	<u>\$ 1,419</u>	<u>\$ 1,064</u>
Equipment purchased and included in accounts payable	<u>\$ -</u>	<u>\$ 680</u>
Equipment purchased and payables settled with issuance of restricted common stock	<u>\$ -</u>	<u>\$ 186</u>

NeoGenomics, Inc.

Supplemental Information on Customer Requisitions Received and Tests Performed

(in thousands, except test and requisition amount)

	For the Three-Months Ended September 30, 2010	For the Three-Months Ended September 30, 2009	% Inc (Dec)	For the Nine-Months Ended September 30, 2010	For the Nine- Months Ended September 30, 2009	% Inc (Dec)
Requisitions Rec'd (cases)	9,677	7,555	28.1%	28,833	23,065	25.0%
Number of Tests Performed	14,477	11,188	29.4%	42,983	32,961	30.4%
Avg. # of Tests / Requisition	1.50	1.48	1%	1.49	1.43	4.3%
Total Testing Revenue	\$8,708	\$7,297	19.3%	\$25,616	\$21,670	18.2%
Avg Revenue/Requisition	\$ 899.82	\$ 965.82	(6.8%)	\$ 888.42	\$ 939.50	(5.4%)
Avg Revenue/Test	\$ 601.48	\$ 652.20	(7.8%)	\$ 595.95	\$ 657.43	(9.4%)
