



**NEOGENOMICS, INC.
PRESS RELEASE**

FOR IMMEDIATE RELEASE

NeoGenomics Reports First Quarter 2011 Results

Increasing Sales Momentum

Ft. Myers, Florida – April 21, 2011 - NeoGenomics, Inc. (NASDAQ OTC BB: NGNM), a leading provider of cancer-focused genetic testing services today reported its results for the first quarter 2011.

First Quarter 2011 Highlights:

- **Revenue growth of 5% vs. Q1 10 despite impacts from severe winter weather**
- **Test volume growth of 10% vs. Q1 10**
- **Increases in sales force productivity throughout quarter**

Revenue for the first quarter 2011 was \$8.8 million, a 5% increase over first quarter 2010 revenue of \$8.4 million. Test volumes increased by approximately 10% over the comparable quarter last year. Severe weather impacted results during January and February, but volume improved steadily throughout the last half of the quarter. After adjusting for the internalization of testing by one large client in 2010, revenue and test volume from all other clients grew by 11% and 19%, respectively.

Average price-per-test declined by 5% from the first quarter 2010. This reduction was primarily driven by a 50% decrease in the Company's average reimbursement for bladder cancer FISH testing as a result of Medicare and several commercial insurance carriers reducing reimbursement beginning in January 2011. Bladder cancer FISH testing now comprises approximately 4% of total revenue compared to approximately 7% of revenue in Q4 2010. Contributing to the average price decline was a 1.75% decrease in reimbursement by Medicare for all tests covered by the Clinical Lab Fee Schedule. In addition, one of the Company's larger Medicare carriers reduced the maximum allowable number of markers reimbursable for flow cytometry testing in late 2010. This 5% decline in average unit price reduced revenue and gross profit by approximately \$425,000 compared with quarter 1 last year.

Sales and marketing expenses remained flat compared with the prior year. General and Administrative ("G&A") expenses decreased by \$79,000, or 3%, primarily as a result of a decrease in R&D expenditures. The Company continues to focus on managing general and administrative costs and the number of full-time equivalent employees was the same at the end of the first quarter 2011 as it was at the end of the first quarter 2010. Net loss for the quarter was \$893,000 or (\$0.02)/share versus net loss of \$750,000 or (\$0.02)/share in the first quarter 2010.

Doug VanOort, the Company's Chairman and CEO, commented, "We are generally pleased with our first quarter results. Although revenue was impacted by adverse weather during the first two months and a meaningful decline in average unit price, we finished the quarter very strong. Indeed, the number of tests reported per day in March was 17% higher than it was in January. We expect sales momentum to continue to build as 2011 unfolds as a result of the significant investments we made to improve our sales force productivity over the last year."

Mr. VanOort continued, "The declines in average unit price in the first quarter were slightly higher than we anticipated, and had a disproportionately large impact on our profitability. We believe these price declines negatively impacted Adjusted EBITDA and net income by approximately \$400,000 in the quarter. Moving forward in 2011, we do not expect any more significant pressure on average unit price other than potential impacts due to changes in our test mix. Thus, we should begin to see our gross margin increase as test volumes rise."

Mr. VanOort concluded, "We have started to actively explore listing on the either the NASDAQ Capital Market or the NYSE AMEX exchange. Our goal is to complete a listing on either exchange by the end of this year."

The Company also issued preliminary guidance for the second quarter 2011 today. The Company expects revenue of approximately \$9.3- \$9.8 million with positive Adjusted EBITDA and a net loss of between \$0.00 – (\$0.01)/share. The Company reserves the right to adjust this guidance at any time 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.

Conference Call

The Company has scheduled a web-cast and conference call to discuss their Q1 2011 results on April 21, 2011, at 11:00 AM eastern time. 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 May 5, 2011 and can be accessed by dialing (877) 660-6853 (domestic) and (201) 612-7415 (international). The playback account number is 371286 and the playback conference ID Number/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=164246>. An archive of the web-cast will be available until 11:59 PM EST on July 21, 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>.

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.americanmicrocapinstitute.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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CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

<u>ASSETS</u>	March 31, 2011	December 31, 2010
	(unaudited)	
Cash, cash equivalents	\$ 2,533	\$ 1,097
Restricted Cash	500	500
Accounts Receivable (net of allowance for doubtful accounts of \$1,799 and \$1,459, respectively)	6,191	5,236
Other Current Assets	<u>1,530</u>	<u>1,905</u>
TOTAL CURRENT ASSETS	10,754	8,738
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$5,056 and \$4,568, respectively)	4,553	4,839
OTHER ASSETS	<u>93</u>	<u>74</u>
TOTAL	<u>\$ 15,400</u>	<u>\$ 13,651</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES	\$ 8,799	\$ 9,168
LONG TERM LIABILITIES	<u>1,215</u>	<u>1,348</u>
TOTAL LIABILITIES	10,014	10,516
STOCKHOLDERS' EQUITY	<u>5,386</u>	<u>3,135</u>
TOTAL	<u>\$ 15,400</u>	<u>\$ 13,651</u>

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	For the Three Months Ended March 31, 2011	For the Three Months Ended March 31, 2010
REVENUE	\$ 8,805	\$ 8,418
COST OF REVENUE	<u>4,940</u>	<u>4,344</u>
GROSS PROFIT	<u>3,865</u>	<u>4,074</u>
OPERATING EXPENSES:		
General and administrative	2,823	2,902
Sales and marketing	<u>1,753</u>	<u>1,763</u>
Total operating expenses	<u>4,576</u>	<u>4,665</u>
Loss from operations	(711)	(591)
Other income / (expense) - net	(182)	(159)
NET INCOME (LOSS)	<u>\$ (893)</u>	<u>\$ (750)</u>
NET INCOME (LOSS) PER SHARE - Basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING –		
Basic and diluted	<u>41,734</u>	<u>37,220</u>

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

	For the Three Months Ended March 31, 2011	For the Three Months Ended March 31, 2010
NET CASH USED IN OPERATING ACTIVITIES	\$ (1,544)	\$ (1,564)
NET CASH USED IN INVESTING ACTIVITIES	(71)	(114)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,051</u>	<u>1,708</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,436	30
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,097	1,631
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,533</u>	<u>\$ 1,661</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ <u>174</u>	\$ <u>144</u>
Income taxes paid	\$ <u>-</u>	\$ <u>-</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equipment leased under capital lease	\$ <u>141</u>	\$ <u>746</u>

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RECONCILIATION OF GAAP NET LOSS TO NON-GAAP EBITDA AND ADJUSTED EBITDA
In thousands
(unaudited)

	For the Three Months Ended	
	March 31,	
	2011	2010
Net loss	\$ (893)	\$ (750)
<i>Adjustments to Net Loss:</i>		
Interest expense (income), net	182	159
Depreciation and amortization	488	415
EBITDA	(223)	(176)
<i>Further Adjustments to EBITDA:</i>		
Non-cash stock-based compensation	126	128
Adjusted EBITDA	\$ (97)	\$ (48)

Non – GAAP Adjusted EBITDA Definition

“Adjusted EBITDA” is defined by NeoGenomics as net income (loss) from continuing operations before (i) interest expense, (ii) tax expense and therapeutic discovery tax grants, (iii) depreciation and amortization expense (iv) non-cash stock-based compensation and warrant amortization expense and (v) other extraordinary or non-recurring charges. NeoGenomics believes that Adjusted EBITDA provides a more consistent measurement of operating performance and trends across reporting periods by excluding these cash and non-cash items of expense not directly related to ongoing operations from income. Adjusted EBITDA also assists investors in performing analysis that is consistent with financial models developed by research analysts.

Adjusted EBITDA as defined by NeoGenomics is not a measurement under GAAP and may differ from non-GAAP measures used by other companies. There are limitations inherent in non-GAAP financial measures such as Adjusted EBITDA because they exclude a variety of charges and credits that are required to be included in a GAAP presentation, and do not therefore present the full measure of NeoGenomics recorded costs against its net revenue. Accordingly, investors should consider non-GAAP results together with GAAP results in analyzing NeoGenomics financial performance.

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Supplemental Information on Customer Requisitions Received and Tests Performed

	For the Three-Months Ended March 31, 2011	For the Three-Months Ended March 31, 2010	% Inc (Dec)
Requisitions Received	10,214	9,580	6.6%
Number of Tests Performed	15,396	14,042	9.6%
Avg. # of Tests / Case	1.51	1.47	2.7%
Total Testing Revenue	\$8,804,498	\$8,418,217	4.6%
Avg Revenue/Req	\$ 862.00	\$ 878.73	(1.9)%
Avg Revenue/Test	\$ 571.87	\$ 599.50	(4.6)%
