

NeoGenomics to acquire Clariant from GE

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NeoGenomics has announced that it has reached an agreement to acquire Clariant and its wholly-owned subsidiary Clariant Diagnostic Services, a provider of comprehensive cancer diagnostic testing to hospitals, physicians and the pharmaceutical industry (together "Clariant"). Clariant, a unit of GE Healthcare's Life Sciences business, is based in Aliso Viejo, California and Houston, Texas and has approximately 415 employees.

The acquisition will allow NeoGenomics to broaden its offering of innovative cancer diagnostic tests to hospitals and physicians across the country, and to accelerate its growth in the fast-growing worldwide market for pharmaceutical clinical trials and research. The complementary product offerings and expanded geographical reach of the combined companies are expected to provide customers with substantial benefits and create a significantly larger and more diversified provider of precision oncology diagnostics.

Clariant's pathology services and capabilities in the analysis of solid tumor cancers of the breast, colon and lung are highly complementary to NeoGenomics' industry-leading molecular testing services and extensive expertise in testing for hematologic cancers. Hospital, physician, and pharmaceutical industry clients will benefit from the combined company's ability to offer a wider range of world-class tests, closer geographical access to services, and enhanced service capabilities. The acquisition will allow the combined company to further leverage its existing laboratory facilities and infrastructure to drive productivity and lower operating costs.

The transaction purchase price includes \$80 million in cash, \$110 million in Preferred Stock, and 15 million shares of NeoGenomics Common Stock, subject to customary adjustments for working capital at close. The Preferred Stock will be issued at \$7.50 per share and is redeemable at the option of NeoGenomics at any time over its ten year term along with any accrued dividends at the original issue price with certain incentives for early redemption. After three years, GE Healthcare will have the option to convert the Preferred Stock and any accrued dividends to NeoGenomics Common Stock at \$7.50 per share if the volume weighted average price of NeoGenomics' Common Stock is above \$8.00 per share for thirty consecutive

trading days. If still outstanding on the tenth anniversary, the Preferred Stock and any accrued dividends will automatically convert into common stock at \$7.50 per share.

The transaction is subject to approval by the relevant anti-trust authorities and NeoGenomics' shareholders and is anticipated to close in Quarter 4, 2015. On a fully diluted basis, assuming full conversion of the preferred stock, GE Healthcare will beneficially own approximately 32 percent of NeoGenomics. As part of the transaction, the NeoGenomics Board of Directors will be expanded with the appointment of a new director from GE Healthcare. In addition, NeoGenomics and GE Healthcare have agreed to collaborate on a new bioinformatics initiative that combines their shared interest in precision oncology.

NeoGenomics' chairman and CEO, Mr Douglas VanOort, said, "Our vision is to become America's premier cancer testing laboratory, and this acquisition is a major step forward in achieving that vision. We have always respected Clariant's outstanding capabilities, and are very pleased to be able to combine them with our own outstanding service offering. Hospital, physician, and pathology clients will benefit from our ability to offer the "best of the best" products and services available from each company. We are particularly pleased to add Clariant's sizable and fast-growing clinical trial support business to further strengthen our own initiatives in this area."

Ms Cindy Collins, CEO of Clariant Diagnostic Services, said, "We're proud of the highly talented and dedicated people at Clariant, who deliver an outstanding level of service to physicians and to leading players in the pharmaceutical industry, helping guide patient treatment and supporting the discovery and development of new medicines. We believe the business will benefit from the focus that will come from being part of NeoGenomics, while allowing GE Healthcare Life Sciences to focus on its core long-term growth areas in bioprocessing, cell therapy and disease imaging."