

**EKF Diagnostics Holdings plc
("EKF" or "the Company")**

Trading update

EKF Diagnostics Holdings plc (AIM: EKF), the AIM listed point-of-care, central laboratory and molecular diagnostics business, provides the following trading update for the six months ended 30 June 2013.

Trading for the 6 months ended 30 June 2013

EKF has traded well in the first half of 2013 and is confident of meeting market expectations for the full year. Unaudited revenues for the six months ended 30 June 2013 were c. 18% ahead of the same period last year at £14.9m (H1 2012: £12.7m), all of which is derived from organic growth.

Unaudited Adjusted EBITDA for the period was £2.1m (H1 2012: £1.56m), ahead of market expectations, and showing an improvement of 25% on the previous period.

The cash position of the Company remains strong, with cash balances as at 30 June 2013 of £3.1m (As 31 December 2012: £4.2m), and a net cash position of £0.8m. The reduction in cash reflects deferred cash consideration payments in excess of £1.4m that were made during the period. This included the final outstanding payment in relation to the Stanbio acquisition and the deferred consideration payment for the Quotient acquisition, the balance of which will be settled in June 2014.

As outlined in the Admission Document published on 15 June 2010, part of the outstanding deferred consideration for the acquisition of EKF-diagnostic GmbH would be reduced to the extent that there have been any claims under the warranties in the acquisition agreement. The Company has been advised by its German tax advisers that there is a potential tax liability associated with the EKF-diagnostic GmbH business prior to acquisition, of up to €1.4m (£1.22m). Under the warranties of the acquisition agreement EKF had already withheld payment of the deferred consideration to cover such liabilities.

Second half Outlook

A strong performance in the second half is expected, supported in particular by an increasing contribution from Quo-Lab sales as well as HemoPoint H2 sales

through the Alere agreement in North America.

EKF has received confirmation of regular monthly sales of Quo-Lab starting in the second half from German based blood glucose monitoring specialist IME-DC GmbH. In addition, second half Quo-Lab sales will benefit from an OEM agreement with a leading international clinical diagnostic specialist to provide mass entry into the developing markets. The agreement covers all global territories, excluding North America, and includes guaranteed minima.

The company is expecting to participate in tenders in the second half of the year which have a significantly higher value than the total tenders participated in during the first half-year.

Sales of Biosen units have performed well during the period, with year on year unit volumes having more than doubled. BHB sales have held up well despite the reintroduction of its main competitive product to the market, with no material decline in sales.

Significant progress has been made with our Molecular Diagnostics division since its inception in March 2013. The first PointMan™ DNA enrichment products were launched in May 2013, ahead of expectations, and another three are expected to launch in September 2013. Whilst initial sales are expected before the end of year, the business is not expected to make a significant contribution to revenues until next year. Work has also commenced with the Welsh Cancer Bank to demonstrate the concordance of results between tumour sample and a peripheral sample, such as blood. If successful, this would present significant opportunities for non-invasive testing and patient monitoring. The results of this study are expected before the end of the year.

The Company continues to review appropriate acquisition opportunities and will update the market appropriately.

Julian Baines, CEO of EKF commented: *"I am very pleased that the first half has delivered such strong organic growth, with revenues up 18% and earnings again ahead of expectations. We expect trading in the second half to continue this pattern of strong growth, and we remain confident of meeting market expectations for the full year. The exciting developments within EKF Molecular and the potential within this division offer an opportunity for EKF to deliver additional value to shareholders."*

The Company will announce its interim results for the six months ended 30 June 2013 on Monday, 16 September 2013.

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About EKF Diagnostics Holdings plc - www.ekfdiagnostics.com

EKF Diagnostics Holdings plc was formed in July 2010 following the acquisition of EKF-diagnostic GmbH for €14.32m and refocused its strategy to one of building a substantial point of care diagnostics business. As part of this strategy, the Group has integrated three further acquisitions, Quotient Diagnostics Limited (acquired in October 2010 for a maximum of £5.41m), Argutus Medical Limited (acquired in December 2010 for £2.18m) and Stanbio Laboratory L.P. (acquired in June 2011 for a maximum of US\$25.5m).

The Company, with its head office in Cardiff and operations in London, Germany, Poland, Russia, Ireland and the US, is a leading diagnostics business, focused on the development, production and distribution of chemical reagents and analysers for the testing of Glucose, Lactate, Haemoglobin, Haematocrit and HbA1c.

In May 2011 EKF entered into a distribution agreement with Alere Inc ("Alere"), a global diagnostics company, under which Alere was appointed the exclusive distributor of EKF's CLIA waived Hemo Control device and cuvettes in the US, Canada and United Kingdom. The device is distributed in the US under the name HemoPoint H2.

On the 4 March 2013, EKF announced the establishment of EKF Molecular Diagnostics Ltd to offer innovative products with the potential to change current DNA extraction and detection practices, enabling EKF to address the fast growing companion diagnostics market.

This information is provided by RNS
The company news service from the London Stock Exchange

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