

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

Trading update

EKF Diagnostics Holdings plc (AIM: EKF), the Point-of-Care diagnostics business, announces a trading update for the year ended 31 December 2015.

Key Highlights:

- EKF now singularly focussed on Point-of-Care
- Management focussed on returning to core profitability and positive cash flow
- Cost savings of £6.7 million expected to be achieved from 2016 onwards
- Foundations in place to deliver future growth

EKF Chairman, Ron Zwanziger, provides the following statement to shareholders:

Since my appointment I have brought a singular focus to the Company based on the fundamental objective of stabilising it and then returning it to core profitability and positive cash flow. The work to achieve that objective continues and I will look to update Shareholders on a quarterly basis as we continue to progress.

As previously stated this focus will necessitate a number of asset write-downs of previously capitalised intangible assets and goodwill in addition to making due provisions against Mexican debtors. The overall quantum of these write-downs will be in a range of £55 million to £60 million for the year end 2015, subject to audit review. Trading for 2015 will be in line with the guidance previously given in our 26 November 2015 trading update, with the overall loss impacted by the asset write-downs.

This singular and direct approach has started to yield significant benefits in terms of cost reduction:

- *We have eliminated our loss-making molecular business. Selah has been divested and the employees of EKF Molecular have been made redundant;*
- *The remaining Quotient employees have been made redundant, focusing future development effort on Barleben, where this will be performed as short-term product support;*

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

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