

MERGENT INDUSTRIAL

NEW LISTING

January 29, 2010

This Supplemental News Reports is published as required, is part of the annual MERGENT INDUSTRIAL, OTC and OTC UNLISTED MANUALS and will be included in the bound 2010 January Monthly News Reports and is published on our Website.

CHEMBIO DIAGNOSTICS INC

Company Website:: www.chembio.com

History: Incorporated in Nevada on May 14, 1999 as Trading Solutions.com, Inc. Present name adopted on May 5, 2004.

On Aug. 18, 2001, Co. entered into an exchange agreement with Springland Beverages, Inc. for 15,542,500 shares of common stock.

On Mar. 28, 2003, Co. sold Springland Beverage back to its president.

On May 5, 2004, Co. completed a merger with Chembio Diagnostic Systems Inc. through which Chembio Diagnostics Systems Inc. became Co.'s wholly-owned subsidiary, and through which the management and business of Chembio Diagnostic Systems Inc. became Co. management and business. As part of this transaction, Co. changed its name to Chembio Diagnostics, Inc.

Business Summary: Chembio Diagnostics develops, manufactures and markets rapid diagnostic tests that detect infectious diseases. Co.'s main products are three rapid tests for the detection of human immunodeficiency virus (HIV) antibodies in whole blood, serum and plasma samples. In addition, Co. has a fourth rapid HIV test, developed on its patented Dual Path Platform (DPP) technology, for the detection of antibodies to HIV in oral fluid samples, whole blood, serum and plasma samples. Co.'s products are sold under its DPP, STAT-PAK or SURE CHECK registered trademarks and the private labels of its marketing partners, such as the Clearview label of its partner, Inverness Medical Innovations, Inc.

Property: Co. leases its principal executive offices in approximately 18,200 square feet of industrial space in Medford, NY. The space is utilized for research and development activities (approximately 2,660 square feet), offices (approximately 1,820 square feet) and production (approximately 13,720 square feet).

Subsidiary

Chembio Diagnostics Systems, Inc.

Officers

Lawrence A. Siebert, Chairman; President; Chief Executive Officer

Javan Esfandiari, Senior Vice President - Research & Development

Tom Ippolito, Vice President - Regulatory Affairs; Vice President - Quality Assurance; Vice President - Quality Control

Richard Bruce, Vice President - Operations

Richard J. Larkin, Chief Financial Officer

Directors

Lawrence A. Siebert Katherine L. Davis

Gary Meller

Auditors: Parente Randolph, LLC

Shareholder Relations: Richard J. Larkin, CFO

No. of Stockholders: Apr. 9, 2009, 850

No. of Employees: Nov. 12, 2009, 102

Address: 3661 Horseblock Road, Medford, NY 11763

Tel.: 631 924-1135 **Fax:** 631 924-2065 **E-mail:** rlarkin@chembio.com **Web:** www.chembio.com

Consolidated Income Account, years ended Dec. 31 (in \$):

	2008	2007 (revised)	2006 (revised)
Net sales	10,355,768	8,764,877	6,294,012
Research grants	693,803	466,071	208,468
Tot revs	11,049,571	9,230,948	6,502,480
Cost of sales	7,197,850	6,435,238	4,485,912
Gross profit	3,851,721	2,795,710	2,016,568
Research & devel exps	2,605,343	1,906,653	1,401,472
Wages & rel costs	1,261,511	1,642,185	
Consulting	187,494	232,184	
Commissions	365,774	31,762	
Marketing materials	38,379	75,570	
Legal, acctg & SOX 404 compliance	551,335	643,562	
Travel, entertainment & trade shows	92,576	154,819	
Other selling, gen & admin expen	508,415	607,977	
Selling, gen & admin exps	3,317,046	3,765,221	5,195,289
Tot oper exps	5,922,389	5,671,874	6,596,761
Income (loss) fr opers	(2,070,668)	(2,876,164)	(4,580,193)
Other inc - net	95,812	120,862	30,000
Loss on extinguishment of debt			386,895
Int inc	34,403	145,289	29,532
Int exp	8,317	16,879	87,464
Tot other income (expenses)	121,898	249,272	(414,827)
Income (loss) bef inc tax	(1,948,770)	(2,626,892)	(4,995,020)
Net income (loss)	(1,948,770)	(2,626,892)	(4,995,020)
Dividends pay in stk to pfd stk		5,645,310	1,022,897
Div accreted to pfd stk for assoc costs & benef conv feature			2,187,149
Net income (loss) attrib to com stockhldrs	(1,948,770)	(8,272,202)	(8,205,066)
Common shares:			
Weigh avg shares outstg - basic	61,266,954	14,608,478	10,293,168
Weigh avg shares outstg - diluted	61,266,954	14,608,478	10,293,168
Yr end shares	61,944,901	60,537,534	11,296,961
Net income (loss) per sh - basic	\$(0.03)	\$(0.57)	\$(0.80)
Net income (loss) per sh - diluted	\$(0.03)	\$(0.57)	\$(0.80)
No of full time employees	110	97	92
No of part time employees	4	12	15
Tot no of employees	114	109	107

No of com stkholders	2008	2007 (revised)
875	905	815
[1] Reclassified to conform with 2008 presentation [2] Reclassified to conform with 2007 presentation [3] Approximately [4] As of January 4, 2007 [5] As of January 15, 2009 [6] As of January 29, 2008		
Consolidated Balance Sheet, as of Dec. 31 (in \$):		
	2008	2007 (revised)
Assets:		
Cash & cash equivs	1,212,222	2,827,369
Accts receivables, gross	819,303	956,385
Allow for doubtful accts	10,000	10,045
Accts receivable, net	809,303	946,340
Raw mater	836,446	705,873
Work in process	300,986	234,077
Finished goods	681,605	513,900
Invent	1,819,037	1,453,850
Ppd exps & other curr assets	225,153	243,748
Tot curr assets	4,065,715	5,471,307
Mach & equip	1,195,975	982,440
Furn & fixtures	195,611	156,313
Computer & telephone equip	329,865	308,591
Lsehd improve	400,589	306,676
Automobiles	29,442	
Fixed assets, gross	2,151,482	1,754,020
Less accum deprec & amort	1,270,076	924,688
Fixed assets, net	881,406	829,332
License agreements, net of curr port	940,000	255,948
Dep & other assets	27,820	28,410
Tot assets	5,914,941	6,584,997
Liabilities:		
Accts pay - suppliers	634,083	726,174
Accrued commiss	67,857	14,251
Accrued royalties or licence fees	1,400,941	852,119
Accrued payroll	95,135	279,598
Accrued vacation	91,895	155,480
Accrued exps - other	75,110	138,169
Accts pay & accrued liabil	2,383,021	2,175,791
Defer research & devel rev		43,334
Curr port of oblig under cap leases	18,780	23,458
Tot curr liabil	2,401,801	2,242,583
Oblig under cap leases - net of cur License fee pay - net of curr port	60,808	79,588
Tot liabil	3,337,609	2,322,171
Com stk	619,449	605,375
Addit paid-in cap	39,252,350	39,003,148
Retain earnings (accum deficit)	(37,294,467)	(35,345,697)
Tot stkholders equity (deficit)	2,577,332	4,262,826
[1] Reclassified to conform with 2008 presentation		

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Debt: Dec. 31, 2008, \$79,588 (including current portion of \$18,780) obligations under capital leases, bearing interest at rates ranging from 13% to 15%, due in 2012.

Capital Stock: 1. Chembio Diagnostics Inc. common; par \$0.01.

AUTH—100,000,000 shs.

OUTSTG—Dec. 31, 2008, 61,944,901 shs; par \$0.01.

WARRANTS—2,428,847 shs.

OWNERSHIP—As of Mar. 17, 2009, Crestview Capital Master, LLC beneficially owned 30.52% of Co.'s outstanding common stock.

OPTIONS—Dec. 31, 2008, authorized for issuance, 3,000,000shs.; outstanding, 2,416,650 shs.

LISTED —Over-the-Counter (OTC): CEMI

PRICE RANGE —

	2009	2008	2007	2006
High	0.39	0.30	0.93	1.15
Low	0.08	0.08	0.26	0.33

PRIVATE PLACEMENTS—(2,723,403 shs.) of no par value privately placed on Dec. 19, 2007 for \$1,089,361.