

26th August 2011

**Avia Health Informatics Plc
("Avia" or the "Company")**

Update

Further to the announcement of 5th August, 2011, Avia (AIM: AVIA), the AIM-listed developer and provider of clinical decision support systems, provides the following update on funding and trading.

- 1) The Company has secured near-term funding support from its directors and staff of approximately £200k. The short term funding need arose due to lower than anticipated sales of two of the Group's eleven products in the UK public sector market.
- 2) The Company is working with its auditors towards completing the audit for the financial year ended (FYE) 31 March 2011 by the end of September and will give further updates on this in due course. The Company expects, based on management accounts, to report revenue in the order of £2.1 million, an increase of approximately 20% compared to the previous year and broadly in line with expectations, and an operating loss before any impairment of intangible assets and non-recurring items of c. £500k (compared with c. £300k market expectations), reflecting the small revenue shortfall against expectations of £2.2m and higher than expected market development costs.
- 3) The Company expects to give an update on its expectations for the financial year ended 31 March 2012 at or shortly before the confirmation of its audited results for FYE March 2011.
- 4) Although the Company's current cash resources are expected to remain tightly constrained in the near term, the Company is seeking to continue to develop, market and sell its range of ten other products for use in the UK and international markets and is actively seeking strategic investment from partners able to distribute its products and services internationally.
- 5) In order to provide a stable base for future growth the Board is seeking to attract additional external funding. The Board believes, based on current trading, that it is appropriate to seek additional funding of c. £1 million as a working capital reserve and to fund growth. While there can be no certainty at this time as to the availability of additional funding, the Board will continue to examine all funding options available to the Company.

Barry Giddings, Chairman of Avia Health Informatics Plc, commented: "While we have been disappointed on the delivery of revenue anticipated in certain UK segments of our market, we believe the opportunities for Avia continue to strengthen. We expect to report top line growth for the year ended March 2011 of approximately 20% and are now focusing further on ensuring our cost-base and expenditure is closely aligned with near-term revenue opportunities."

"We believe that the market for clinical decision support, both in the public and private health sectors is growing. Using.NET technology, Odyssey clinical decision support software is now available on multiple platforms and in multiple geographies. Odyssey solutions can be delivered via Cloud and smartphones. We are actively seeking strategic partners to assist in the distribution of our products and services and, subject to securing additional funding in place, are confident of the Company's prospects."

The Company expects to update the market on its financial condition and working capital in conjunction with the publication of its audited results for FYE March 2011 referred to above.

The shares will remain suspended pending further clarification of the Company's financial position.

The Company will continue to make further announcements as appropriate.

##Ends##

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About Avia Health Informatics Plc

Avia is a developer and provider of clinical decision support systems. Its Odyssey product range is used by clinicians and non-clinicians in various environments around the world to provide effective healthcare support, increasing the levels of patient care while delivering operational efficiencies. The delivery of Odyssey can be in a static or mobile environment from a PC, laptop, tablet or mobile device, with clinical content, training and services delivered via the web. The groups other product, PathFinderRF offers on-line referral facilitation to manage the quality of referrals.

Avia's partners provide market reach into geographies outside of the UK, including the United States and Australia.

The Odyssey range is built on a common medical content database which has been developed over the past 15 years. Odyssey is continually updated, tailored with question and answer sets and has a user interface adapted for the particular user groups and the environment in which it is used.

Environments include prisons, ships, call centres, GP out of hours, walk in centres, care homes, pharmacies and other clinical and non-clinical environments.

For more information on Avia please visit: www.ahi-plc.com and the Odyssey product range: www.odyssey-cdss.com