



NEWS RELEASE

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OMT Reports Annual Results for 2006

Winnipeg, Manitoba, April 30, 2007 -- OMT Inc. (TSXV: OMT) announced today the Company's consolidated results for the year ended December 31, 2006.

2006 Highlights:

- The Company delivered strong growth in its key target area of recurring revenue streams, which were up by 32% over the previous year.
- Leading radio groups such as Saga Communications and retailers such as Holt Renfrew chose OMT products, strengthening our position in the market.
- OMT became cash flow positive in 2006 with a \$540,000 improvement in cash generated from operations, over the previous year.

Description of Business

OMT Inc. (TSXV: OMT) is a digital media content and technology solution provider to radio broadcasters and retailers with two business units. Intertain Media, the digital entertainment division, offers background music and messaging services as well as media previewing systems to major retailers. The OMT Technologies division delivers radio automation systems to radio stations internationally. OMT's broadcasting, multi-media technology, and content are heard daily by over 50 million people worldwide through radio, satellite, television and Internet delivered broadcasts. To learn more about the Company, its products and services, visit its website at www.omt.net.

Management's Discussion and Analysis

Certain statements made in the following Management's Discussion and Analysis contain forward-looking statements including, but not limited to, statements concerning possible or assumed future results of operations of the Company. Forward-looking statements represent the Company's intentions, plans, expectations and beliefs, and are not guarantees of future performance. Such forward-looking statements represent our current views based on information as at the date of this report. They involve risks, uncertainties and assumptions and the Company's actual results could differ, which in some cases may be material, from those anticipated in these forward-looking statements. Unless otherwise required by applicable securities law, we disclaim any intention or obligation to publicly update or revise this information, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance upon forward-looking statements.

Results of Operations

This review contains Management's discussion of the Company's operational results and financial condition, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2006 and the associated notes, which were prepared in accordance with Canadian generally accepted accounting principles (GAAP). All amounts are in Canadian dollars unless otherwise indicated.

The audited consolidated financial statements provide a comparison of the year ended December 31, 2006 to the year ended December 31, 2005.

Annual Review (numbers shown in '000s)

	December 31 2006	December 31 2005	December 31 2004
Total Sales	\$3,726	\$4,176	\$3,482
Gross Profit	\$2,492	\$2,595	\$2,217
Gross Profit %	66.9%	62.1%	63.7%
Total Operating Expenses	\$2,340	\$2,392	\$2,378
Other Expenses	\$800	\$872	\$723
Net Income (Loss)	(\$648)	(\$669)	(\$884)
Net Income (Loss) per share (basic & diluted)	(\$0.02)	(\$0.02)	(\$0.07)
Dividends declared	Nil	Nil	Nil
Total Assets	\$1,357	\$1,594	\$2,395
Total Long-term liabilities	\$3,476	\$3,222	\$2,981

Results for the year ended December 31, 2006 reflect the total business of the OMT Technologies and Intertain Media divisions. OMT Technologies includes our iMediaTouch radio automation and related products. Intertain Media includes our Retail Radio and Retail Preview product offerings.

Overall sales were 11% lower in 2006, as compared to 2005. The OMT Technologies division represented \$226,000 of the decrease in sales while the Intertain Media division represented \$224,000. The reduced revenue in the Technology division is attributed to an overall reduction in capital spending within the radio automation sector in 2006. Management believes that reduced activity in this sector is short term and expects a return to normal levels in the future. The revenue reduction in the Intertain division was a result of lower sales of new Retail Preview music kiosks to media retailers. There continues to be a shift in consumer purchasing trends of CD's, requiring both our retail customers and Intertain to evolve in response. Intertain's In-store music system subscription revenue from Retail Radio increased in 2006 at a rate of over 500% and shows a strong continuing upward trend.

The 2004, 2005 and 2006 sales results reflect the Company's strategy to build stronger recurring revenues. As a result of this focus, recurring revenues increased from approximately \$636,000 in 2004 to \$789,000 in 2005 and \$1,048,000 in 2006, and now represents 28% (2005-19%) of total revenues. This growth reflects the positive change in the Company's shift towards recurring subscription revenue from core OMT Technologies and Intertain Media products.

Gross profit decreased by \$103,000 from \$2,595,000 in 2005 to \$2,492,000 in 2006. The OMT Technologies division represented \$85,000 or 83% of the decrease in gross profit in 2006 over 2005 while the Intertain division represented \$18,000 or 17% of the decrease. As a percentage of total sales, gross profit increased from 62.1% in 2005 to 66.9% in 2006. The increase in gross profit is attributed to a decrease of lower margin hardware sales across both divisions from 2005 to 2006.

In previous years, gross profit increased by \$378,000 from \$2,217,000 in 2004 to \$2,595,000 in 2005. The OMT Technologies division represented \$275,000 or 73% of the increased gross profit in 2005 over 2004 while the Intertain division represented \$103,000 or 27% of the increase. As a percentage of total sales, gross profit declined slightly from 63.7% in 2004 to 62.1% in 2005. The decrease in gross profit is attributed to an increase of lower margin hardware sales across both divisions from 2004 to 2005.

The Company operates with tight control on expenses, and as a result operating expenses in 2006 of \$2,340,000 were \$52,000 less than in 2005. Operating expenses increased \$14,000 in 2005 over 2004. In 2006, greater emphasis in the Intertain division sales area caused sales expenses to increase by \$79,000 while administrative expenses decreased \$136,000 primarily due to a reduction in professional fees. In other areas, expenses were generally consistent with previous years.

Other expenses were reduced in 2006 by \$72,000 over 2005, as compared to a \$149,000 increase in 2005 over 2004. In 2005, interest expenses increased by \$85,000 and previously capitalized financing costs of \$65,000 were included. In 2006, other expenses, which include \$260,000 of non-cash amortized interest as a result of debt financing requirements on the \$3,995,000 of convertible debt secured in December, 2004 decreased from \$872,000 in 2005 to \$800,000 in 2006. Payments on this debt are for interest only, and no principal payments are required until December, 2008. Many of the Company's assets are almost fully depreciated and this resulted in a decrease of \$59,000 in amortization expense.

The net loss in 2006 was \$648,000, an improvement of \$21,000 over 2005. The net loss in 2005 of \$669,000 was an improvement of \$215,000 over 2004 when the loss was \$884,000. The 2006 improvement was a result of higher gross margin percentage and continued expense controls. In 2005, the improvement was mainly due to an increased overall gross profit of \$378,000. The increase in gross profit in 2005 was offset by additional interest expenses which increased from \$386,000 in 2004 to \$592,000 in 2005.

Loss per share of \$0.02 in 2006 is calculated on an average of 28,922,090 shares issued as compared to \$0.02 in 2005 calculated on an average of 28,901,131 shares issued.

Eight Quarter Review (numbers shown in '000s)

	2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Sales	\$856	\$867	\$1,074	\$929	\$1,139	\$1,105	\$1,044	\$888
Gross Profit	\$620	\$579	\$668	\$625	\$661	\$695	\$611	\$628
Gross Profit %	72%	67%	62%	67%	58%	63%	58%	70%
Operating Expenses	\$586	\$573	\$599	\$582	\$622	\$598	\$633	\$539
EBITDA	\$34	\$6	\$69	\$43	\$39	\$97	(\$22)	\$89
Other Expenses	\$213	\$197	\$196	\$194	\$229	\$214	\$214	\$215
Net Income (Loss)	(\$179)	(\$191)	(\$127)	(\$151)	(\$190)	(\$117)	(\$236)	(\$126)
Net Income (Loss) per share (basic & diluted)	(\$0.006)	(\$0.007)	(\$0.004)	(\$0.004)	(\$0.007)	(\$0.004)	(\$0.008)	(\$0.004)

Sales in the third and fourth quarters in 2006 were \$238,000 and \$283,000 lower than the same period of the previous year. The decreases, as indicated above, are largely related to fewer new music kiosk system deployments. Management expects the slower new music kiosk deployment trend to continue and is focused on developing revenue in higher growth areas such as Retail Radio. Sales of the Retail Radio product have demonstrated a growth trend, as subscription revenue sales in the third and fourth quarter of 2006 were \$18,000 and \$21,000 higher respectively than in 2005.

Gross Profit percentages always fluctuate because of the mix of hardware and software sales and recurring revenue. Recurring revenue is growing and the trend is expected to continue. This has caused overall gross margins to rise.

EBITDA is defined as Earnings before interest, tax, depreciation and amortization and is a measure that has no standardized meaning under Canadian GAAP and is considered a non-GAAP earnings measure. Therefore this measure may not be comparable to similar measures reported by other companies. EBITDA can be used to compare the Company's operating performance on a consistent basis. It is presented in this MD&A to provide the reader with additional information regarding the Company's liquidity and ability to generate funds to finance its operations. EBITDA was positive in all quarters of 2006 and in three quarters in 2005 and amounted to \$147,000 in 2006 and \$203,000 in 2005.

Other expenses that reduce EBITDA to arrive at net loss include:	<u>2006</u>	<u>2005</u>
Interest, bank charges, non-cash interest accretion and amortization of deferred costs	\$658	\$658
Amortization	\$136	\$195
Other	<u>\$ 6</u>	<u>\$ 19</u>
Total	\$800	\$872

Fourth Quarter

Fourth quarter revenue at \$856,000 was \$283,000 lower than the same quarter last year and \$11,000 lower than the third quarter this year. The decrease in sales in the fourth quarter as compared to last year was primarily due to fewer new installations of the Retail Preview in-store kiosks. This kiosk is a low margin product, and as a result the gross profit percentage for the quarter was up 14% over the same quarter last year, and the gross profit for the quarter was down only \$41,000 from last year.

Operating expenses at \$586,000 remained generally consistent compared to previous quarters in 2006. Fourth quarter 2005 had operating expenses of \$622,000, which were \$36,000 higher than 2006. Last year's fourth quarter expenses included an allowance for bad debt losses, which was not needed this year. Customer accounts are current and no significant losses are anticipated.

Cash flow in the fourth quarter of 2006 was positive \$135,000. This compares to a negative cash flow in the fourth quarter of 2005 of \$74,000. The Company normally invoices customers for the purpose of receiving a deposit on approved orders. This results in increased deferred revenue, and the cash flow is increased when these "deposit invoices" are collected. Deferred revenue at December 31, 2006 amounted to \$729,000 as compared to \$368,000 at the end of the third quarter, which is indicative of a positive outlook in OMT Technologies revenue in 2007.

Liquidity

OMT was in compliance with its financial covenants with all lenders as at December 31, 2006.

Working capital, as defined by the Company's principal lenders, includes all of the current liabilities except deferred revenue. Deferred revenue at December 31, 2006 and 2005 was \$729,000 and \$529,000 respectively. Working capital at December 31, 2006 was \$722,000 as compared to \$698,000, an increase of \$24,000. The working capital ratio of 2.7:1 is well within the limit as set by the Company's lenders.

Management does not expect to require any new funding for its operations in the coming year. At the time of writing (April 30, 2007), the Company had no borrowings on its operating line of credit of \$400,000.

The subordinated debt of \$3,995,000 will mature on December 20, 2008. Management anticipates that the Company will not be able to generate enough cash from normal business operations and that additional financing may be required to retire this debt. Management continues to explore additional options to address this issue.

Related Party Transactions

In October 2005, a major shareholder provided a guarantee for \$400,000 to the Bank of Nova Scotia in support of the Company's line of credit. This guarantee is ongoing and requires payments of a monthly administration fee of \$1,000 as well as a monthly standby fee of \$1,000. If the Company actually draws down on the guarantee, then the interest rate would be 20% of the amount received. The Company consummated this related party transaction to support the operating Line of Credit with the Bank.

During the year, the Company made interest payments to its three major shareholders in the amounts of \$140,000, \$20,000 and \$80,000 respectively.

The Company has contracted to supply Radio Automation Software and Services to a company of which one of OMT's directors is also an officer and director. The project which is valued at approximately \$600,000 began in 2005 and at December 31, 2006 the revenue for the work completed and invoiced in 2005 and 2006 amounted to \$320,000.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

An evaluation of the effectiveness of the Company's disclosure controls and procedures ("DC&P") and an assessment of the design of its internal control over financial reporting ("ICFR") was conducted as of the end of the period covered by this MD&A, by and under the supervision of the President and the Chief Financial Officer (CFO), pursuant to the requirements of Multilateral Instrument 52-109.

Management has established and maintained DC&P for the Company in order to provide reasonable assurance that material information relating to the Company is made known to it in a timely manner, particularly during the period in which the annual filings are being prepared. Management has evaluated the effectiveness of the Corporation's DC&P as of the date of this report and believes them to be effective in providing such reasonable assurance.

Management is responsible for designing internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. There are inherent weaknesses in the systems of internal control due to the small size of the company and its inability to segregate incompatible functions and the use of manual systems as a result. Management believes that this weakness has not caused any material information to be withheld in its financial disclosures, or impacted reported financial results. The Company plans to remediate these weaknesses by expanding the number of individuals involved in accounting and administrative functions as the Company grows. Effective design of internal controls over financial reporting are achieved, despite this weakness, because of management's direct involvement in the internal controls over financial reporting process.

During the process of review and evaluation it was determined that the design of internal controls over financial reporting as of December 31, 2006 was adequate and provided management with the ability to fairly represent the financial affairs of OMT.

Management has performed supplementary procedures in addition to the normal recurring control procedures over the above business cycles to conclude that the 2006 consolidated financial statements are fairly stated.

Changes in Accounting Policies

No changes in accounting policies were contemplated or implemented in 2006. Details of significant accounting policies are disclosed in the financial statements.

Changes in Internal Control over Financial Reporting

During fiscal 2006, the Company made changes to its systems of internal controls over financial reporting that did not materially affect internal control over financial reporting.

Recent Accounting Pronouncements

The following new handbook sections will be effective for fiscal years beginning on or after October 1, 2006. The Company believes that adoption of these standards will not have a material effect on the results of operations and financial positions.

CICA 3855 – Financial Instruments – Recognition and Measurement

This section prescribes when a financial instrument is to be recognized on the balance sheet and at what amount, either fair value or a cost-based measure. The section also provides standards for reporting gains and losses on financial instruments.

CICA 1530 – Comprehensive Income

This section provides a new requirement that certain gains and losses are to be temporarily presented outside of net earnings and recognized as “other comprehensive income”. Comprehensive income is the change in equity of an enterprise during a period from transactions and other events and circumstances from non-owner sources. Other comprehensive income comprises revenues, expenses, gains and losses that are recognized in comprehensive income, but are excluded from net earnings.

Financial Instruments

The current assets and liabilities of the Company, which are subject to normal trade terms, are financial instruments for which the recorded carrying values approximate the fair value. The long-term debt obligations of the Company, for which no ready market exists, have been evaluated on the basis of discounted cash flows and it is believed that the fair value of these obligations is approximately equal to the current carrying value.

Risks and Uncertainties

We are confident about OMT Inc.’s long-term prospects. However, the risks and uncertainties discussed below must be taken into account, as they may affect our ability to achieve our strategic goals. Investors are therefore advised to consider the following items in assessing the Company’s future prospects as an investment.

Revenue recognition on a large contract

The \$600,000 project referred to under the heading Related Party Transactions, has been delayed due to technical issues. Correction of the problems could result in additional costs over and above those originally estimated, but the amount is unknown. Revenue has been recorded on this contract under the percentage of completion method based upon management’s best estimate of costs still to be incurred. It is unknown if additional costs due to the technical issues will be incurred, but if there are, management estimates that the difference between revenue recognized in the financial statements and that should have been recognized could amount to \$50,000.

Competition and technological obsolescence

Our products’ markets experience ongoing technological changes and apart from the fact that OMT Inc. must compete with existing technology and service providers, new companies and advancing technologies remain a competitive fact. In order to remain fully competitive in our target markets, OMT must continue to innovate and respond with advanced generations of software, products and services. The inability to react in a timely fashion to technological and competitive changes could have an impact on the value of the Company’s intangible assets and our ability to attract and retain our customers. Moreover, the highly competitive market in which we operate could cause the Company to reduce its prices and offer other favorable terms in order to

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compete successfully with its rivals. These practices could, over time, limit the prices that OMT can charge for its products. If we were unable to offset such potential price reductions by a corresponding increase in sales or to lower expenses, such a decline in revenues from software sales and related products could negatively impact our profit margins and operating results.

Growth management and market development

There can be no assurance that OMT Inc. will be able to significantly develop its market, which would affect its profitability. On the other hand, rapid growth would put significant pressure on management, operations and technical resources. To manage growth, the Company would have to increase its technical and operational complement and manage its staff while effectively maintaining numerous relationships with third parties.

Significant customer

Sales to one customer represents 75% [2005 – 94%] of the Retail segment sales revenues and 18% [2005 – 26%] of total revenue for the year. The contract with this customer will expire in 2007. Failure to extend the contract could result in a significant loss of revenue.

Capital requirements

OMT Inc. will need to secure new financing or renegotiate the terms of repayment on the subordinated debt which will mature on December 20, 2008, as it is anticipated that cash flow from operations will not be sufficient to repay the subordinated debt. As such, the ability of the Company to continue operating as a going concern is dependant on obtaining new financing and/or renegotiating the repayment terms of the subordinated debt. Readers should refer to notes 1(a) and 7 in the consolidated financial statements.

Additional Information

Additional information related to the Company, including all public filings, is available on SEDAR (www.sedar.com).