



NEWS RELEASE

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OMT Reports Annual Results for 2007

Winnipeg, Manitoba, April 28, 2008 -- OMT Inc. (TSXV: OMT) announced today the Company's consolidated results for the year ended December 31, 2007.

2007 Highlights:

- Debt management initiatives include an interest deferral on \$3,000,000 of the convertible debt beginning January 1, 2008 as well as an extension on all \$3,995,000 of the debt to July 15, 2009. The company is not generating enough cash to retire the debt at July 15, 2009, and will continue to seek a long-term solution.
- Overall revenues increased to \$3,220,000 in 2007 compared to \$3,038,000 in 2006, and Net Income (Loss) improved by 16% in 2007 compared to the previous year.
- Revenue growth in 2007 was driven by the newer Intertain segment which offers background music and digital signage media services. New major retail clients including, Telus Mobility, Liquor GP, and The Brick joined Intertain's network.
- Recurring revenues reached 24% of total revenue base, compared to 22% in 2006 and 17% in 2005 as a result of our continued focus in this area.

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 commercial music, messaging and digital signage services 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, 2007 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, 2007 to the years ended December 31, 2006 and 2005.

Annual Review (numbers shown in '000s)

	December 31 2007	December 31 2006	December 31 2005
Total Sales	\$3,220	\$3,038	\$3,077
Gross Profit	\$1,934	\$2,024	\$2,041
Gross Profit %	60.1%	66.6%	66.3%
Total Operating Expenses	\$2,148	\$2,351	\$2,392
Other Expenses	\$717	\$789	\$872
Net Income (Loss)	(\$931)	(\$1,116)	(\$1,223)
Net Income (Loss) per share (basic & diluted)	(\$0.032)	(\$0.039)	(\$0.042)
Discontinued operations – gross profit	\$178	\$468	\$554
Discontinued operations – gain on disposal	\$181	-	-
Dividends declared	Nil	Nil	Nil
Total Assets	\$519	\$1,357	\$1,594
Total Long-term liabilities	\$3,571	\$3,476	\$3,222

Results for the years ended December 31, 2007, 2006 and 2005 reflect the total business of the OMT Technologies and the Intertain Media divisions. Sales and cost of sales for Intertain's discontinued Retail Preview Segment (RPS) has been eliminated and is shown separately as gross profit and gain on disposal. Expenses of the discontinued operation have not been segregated and remain in the normal operating expenses. OMT Technologies includes our iMediaTouch radio automation and related products. Intertain Media now includes our commercial background music, messaging and digital signage services.

Revenue in 2007, as compared to 2006, increased \$182,000 (6%). The Intertain product sales were up from \$237,000 in 2006 to \$594,000 in 2007, an increase of \$357,000 (151%). The increase represents significant growth for this product line and management will continue to focus on developing this opportunity in the future. Sales in the traditional commercial radio market were down \$175,000 (6%) from \$2,801,000 last year to \$2,626,000 this year. This decline was due to delays involved in one large custom project as well as the effect of the strong Canadian dollar.

The 2005, 2006 and 2007 sales results reflect the Company's strategy to build stronger recurring revenues. As a result of this focus, recurring revenues increased from approximately \$526,000 in 2005 to \$655,000 in 2006 and \$782,000 in 2007, and now represents 24% (2006-22%; 2005-17%) 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. In 2007, recurring revenue, in the commercial segment was up \$79,000 (14%). In the retail segment, recurring revenue was up \$48,000 (55%).

While revenue increased, gross profit decreased by \$90,000 from \$2,024,000 in 2006 to \$1,934,000 in 2007. Overall, the OMT Technologies division had a gross profit decrease of \$188,000 while the Intertain division had an increase of \$98,000. One large OMT Technologies custom project accounted for all of the gross profit decrease. As a percentage of total sales, gross profit decreased from 66.6% in 2006 to 60.1% in 2007. This overall decrease in gross profit percentage was also caused by a large equipment sale within the Intertain division in 2007. In previous years, gross profit was relatively constant, in terms of both dollars and margin percentage.

The Company operates with tight control on expenses, and as a result operating expenses in 2007 of \$2,148,000 were \$203,000 (8.6%) less than in 2006. Operating expenses decreased by \$41,000 in 2006 over 2005.

In 2007, sales and marketing expenses were down from \$848,000 in 2006 to \$704,000 in 2007, a decrease of \$143,000 (16.8%). This significant reduction in costs was achieved by minor staff adjustments, a streamlined marketing plan, and savings in bad debts write downs through tighter control over credit granting procedures and collections.

Administrative expenses of \$1,406,000 in 2005 decreased \$136,000 (9.6%) to \$1,271,000 in 2006 and decreased an additional \$31,000 to \$1,241,000 in 2007. Some of the decrease in 2007 is attributed to ongoing cost savings as well as the sale of the RPS products business.

Research and development expenses with an average annual cost of \$221,000 for the last three years have been stable. OMT has continued to prudently invest in the further development of both the OMT Technologies and Intertain products.

Other expenses were down from \$789,000 in 2006 to \$717,000 in 2007, a reduction of \$72,000. In 2007, interest expenses decreased by \$12,000. Non-cash amortized interest as a result of debt financing requirements on the \$3,995,000 of convertible debt secured in December, 2004 increased from \$326,000 (deferred finance charges of \$66,000 plus interest accretion of \$260,000) in 2006 to \$352,000 in 2007 as a result of new accounting requirements further explained in note 1(p) of the financial statements. Payments, in 2007, on this debt are for interest only, and no principal payments are required until July 15, 2009. Many of the Company's assets are almost fully depreciated and this resulted in a decrease of \$105,000 in amortization expense.

The net loss in 2007 was \$931,000, an improvement of \$185,000 (16.6%) over 2006. The net loss in 2006 of \$1,116,000 was an improvement of \$107,000 (8.7%) over 2005 when the loss was \$1,223,000. The 2007 and 2006 improvements were primarily a result of continued expense reductions.

Loss per share of \$0.032 in 2007 and \$0.039 in 2006 is calculated on an average of 28,922,090 shares issued in both years.

Eight Quarter Review (numbers shown in '000s)

	2007				2006			
	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>
Total Sales	\$794	\$637	\$1,008	\$781	\$737	\$673	\$917	\$711
Gross Profit	\$492	\$446	\$463	\$533	\$517	\$452	\$566	\$489
Gross Profit %	62%	70%	46%	68%	70%	67%	62%	69%
Operating Expenses	\$461	\$500	\$605	\$596	\$586	\$573	\$599	\$588
EBITDA	\$31	(\$54)	(\$142)	(\$63)	(\$69)	(\$121)	(\$33)	(\$99)
Other Expenses	\$171	\$187	\$169	\$176	\$213	\$197	\$196	\$188
Net Income (Loss)	(\$140)	(\$241)	(\$311)	(\$239)	(\$282)	(\$318)	(\$229)	(\$287)
Net Income (Loss) per share (basic & diluted)	(0.005)	(\$0.008)	(\$0.011)	(\$0.008)	(\$0.010)	(\$0.011)	(\$0.008)	(\$0.010)

Sales by quarter are consistent when compared to last year with the exception of the second quarter. In the second quarter of 2007, a large Intertain equipment implementation was included in revenue. In the second quarter of 2006, sales included a significant progress billing on the large OMT Technologies custom contract.

This custom project subsequently developed project delays, which resulted in a \$47,000 net decrease in gross profit in the second quarter of 2007. In the second quarter of 2007, gross margin was down 18% or \$103,000 over the same quarter of 2006. This gross profit decrease was also impacted by the large, but lower margin, Intertain equipment order in the same period.

The operation of the Company remains largely unchanged from the previous year. Sale of the retail preview business has not and will not affect operating expenses in any significant way. Employees were mostly shared and with the increasing Intertain retail media revenues, the core staff will continue to be fully utilized to support this growth. For this reason, it is difficult to isolate expenses that affect only the discontinued operation. As such, the chart above includes all expenses. The current company premises will continue to be adequate to support our continued operations.

Operating expenses in Q4 and Q3 of 2007 were \$125,000 and \$73,000 less than Q4 and Q3 of 2006. In large part, the saving occurred in the commercial segment and came from a reduction of staff and related expense savings. Many of these expenses were paid in US dollars, so additional savings were realized due to the strength of the Canadian dollar. Further savings were achieved in professional fees and insurance costs. The sale of the RPS business includes some cost sharing arrangements with the new owner, which has also served to reduce costs in 2007.

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.

Other expenses that reduce EBITDA to arrive at net loss include:	<u>2007</u>	<u>2006</u>
Interest, bank charges, non-cash interest accretion	\$672	\$658
Amortization	<u>\$ 31</u>	<u>\$136</u>
Total	<u>\$703</u>	<u>\$794</u>

Fourth Quarter

Fourth quarter revenue at \$794,000 was \$57,000 (7%) higher than the same quarter last year and \$157,000 (24%) higher than the third quarter this year. The increase in sales in the fourth quarter as compared to last year was primarily due to new installations of the Intertain in-store music and digital signage services.

The gross margin on sales in the fourth quarter this year was 62%, as compared to 70% for both the same quarter last year and the third quarter this year, a drop of 8% in both years. The 62% achieved in the fourth quarter this year is more typical. The 70% margin percentage achieved in the third quarter this year and in the fourth quarter last year is higher than what can be expected normally as a result of high software revenue. The reason for the lower margin in the fourth quarter of this year is the higher hardware sales component in the commercial segment.

Operating expenses at \$461,000 were \$125,000 (21%) lower than the same quarter last year and \$39,000 lower than the third quarter this year. A number of initiatives, as previously described, were undertaken to achieve such a significant expense reduction.

Cash flow in the fourth quarter of 2007 was negative \$155,000. This compares to a positive cash flow in the fourth quarter of 2006 of \$135,000. The Company normally invoices customers for the purpose of receiving a deposit on approved orders. A large deposit was received from one Intertain customer shortly before the 2006 year end for which no revenue could be recognized at December 31, 2006. The amount of that deposit was large enough to fully cover the cash flow difference in the fourth quarter from 2006 to 2007.

Changes in Accounting Policies

Effective January 1, 2007, the Company adopted the CICA Handbook Section 1506, Accounting Changes, which establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies and estimates, and correction of errors. Under the new standard, accounting changes should be applied retroactively unless otherwise permitted or where impracticable to determine. As well, voluntary changes in accounting policy are made only when required by a primary source of GAAP or the change results in more relevant and reliable information. The Company has determined that the application of this section had no effect on the Company's financial position or the results of its operations.

Effective January 1, 2007, the Company adopted CICA Handbook Section 3855 – Financial Instruments – Recognition and Measurement and Section 1530 – Comprehensive Income. The adoption of these new standards resulted in changes in the accounting policies for financial instruments. The principal changes in accounting policies, financial statement reporting and disclosure recommendations for comprehensive income and its components and the presentation of equity are described in detail under note 1p of the financial statements.

Liquidity

OMT was in compliance with its financial covenants with all lenders as at December 31, 2007.

Deferred revenue at December 31, 2007 and 2006 was \$314,000 and \$729,000 respectively. The decrease in deferred revenue had a significant impact on the company's working capital. Working capital at December 31, 2007 was \$150,000 as compared to \$722,000, a decrease of \$572,000. Of this total, \$415,000 relates to the decrease in deferred revenue. The rest is due to operating losses. In an agreement dated December 20, 2007, the Lenders of the subordinated debt have agreed to waive the working capital covenant.

The long-term debt of \$3,995,000 was scheduled to mature on December 20, 2008. In separate agreements with the debt and the debenture holders, the date of maturity has been extended to July 15, 2009. 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 several options to address this issue within the context of strategic and operational planning.

At the time of writing (April 28, 2008), the Company had no borrowings on its operating line of credit of \$400,000.

Sale of Retail Preview Business

On May 28, 2007, OMT sold the Retail Preview business assets and operations to Farr Media Corporation (“FMC”). FMC is a corporation owned and controlled by OMT’s past President & CEO, Scott Farr. Retail Preview is a service offered to media retail stores to enable consumers to preview CDs and DVDs prior to making a final purchase decision.

OMT has recognized a gain from this transaction in the amount of \$181,412, which was included in the second quarter financial results. In addition, Intertain is entitled to receive quarterly royalties beginning January 1, 2008 and ending December 31, 2011 on any ongoing subscription revenues from the current customers of Retail Preview.

The retail sale of music CDs and video DVDs continues to undergo an accelerated transition with the availability of competing online services. As a result, Retail Preview was viewed as a non-strategic asset for OMT going forward. The accompanying financial statements have been changed to remove sales and cost of sales of the discontinued business from current and past numbers including the eight quarter review above.

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 amount of \$240,000 (same as in 2006). Subsequent to the end of the fiscal year, in an agreement effective January 1, 2008, the three major shareholders, who together hold \$3,000,000 of the Company’s convertible debt, have provided the company with a signed waiver to defer the monthly interest payments. The effect of the waiver is to defer monthly interest payments of approximately \$20,000 per month, until such time that the Company’s cash reserves grow to \$500,000.

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 \$550,000, began in 2005 and at December 31, 2007 the revenue for the work completed and recognized was \$372,000.

Recent Accounting Pronouncements

Section 1535 - Capital Disclosures

This section establishes standards for disclosing information regarding an entity’s capital and its management. The information provided by an entity should focus in particular on its objectives, policies and processes for managing capital, and disclose whether it complies with capital requirements to which it is subject and also what the consequences are in case of non-compliance. The new requirements will be effective starting January 1, 2008. The company is presently evaluating the impact of this new standard.

Sections 3862 and 3863 – Financial Instruments, Disclosure and Presentation

These sections which will replace section 3861, “Financial Instruments – Disclosure and Presentation”, require the disclosure of additional detail of financial asset and liability categories as well as detailed discussion on the risks associated with the company’s financial instruments, including how it manages these risks. These standards harmonize disclosures with International Financial Reporting Standards (“IFRS”). These new standards will be effective starting January 1, 2008. The company is presently evaluating the impact of these new standards.

Section 3031 – Inventories

This section will replace section 3030 with the same title and will harmonize accounting for inventories under Canadian GAAP with IFRS. This standard requires that inventories should be measured at the lower of cost and net realizable value, and includes guidance on the determination of cost, including allocation of overheads and other costs. The section also requires that similar inventories within a consolidated group be measured using the same method. It also requires the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. The new section is effective on or after January 1, 2008. This new standard will not have any significant impact on the consolidated financial statements of the company.

Internal Controls

During fiscal 2007, the Company made changes to its systems of internal controls over financial reporting that did not materially affect internal control over financial reporting.

OMT has implemented a system of internal controls. New legislation does not require certification over internal controls; rather the President and Chief Financial Officer will be signing the bare certificate. There may be additional risks to quality, reliability and transparency of interim and annual filings and other reports provided under this new securities legislation.

Risks and Uncertainties

The risks and uncertainties discussed below must be taken into account, as they may affect the Company’s 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.

Capital requirements

OMT Inc. will need to secure new financing or renegotiate the terms of repayment on the subordinated debt which will mature on July 15, 2009, 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 5 in the consolidated financial statements.

Custom Contract in progress

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 \$550,000 began in 2005 and at December 31, 2007 the revenue for the work completed amounted to \$372,000. The project has been delayed due to technical issues. Correction of the problems will result in additional costs over and above those originally estimated. 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. Management estimates that costs still to be incurred to complete the project will be approximately \$105,000.

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 compete successfully with its rivals. These practices could, over time, limit the prices that OMT can charge for its products. If OMT was 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.

Additional Information

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