

Interim Financial Results 2010

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Europe's Leading Stem Cell Bank

Financial highlights

- Revenue up 5% to €19.5m (1HY 2009: €18.6m)
- EBITA* up 23% to €2.5m (1HY 2009: €2.0m)
- Operating profit up 31% to €1.9m (1HY 2009: €1.4m)
- Profit before taxation up 33% to €1.6m (1HY 2009: €1.2m)
- Net profit up 36% to €1.3m (1HY 2009: €0.9m)
- Basic earnings per share 13.7 euro cents (1HY 2009: 10 euro cents)
- Strong net cash from operating activities €2.0m (1HY 2009: €2.6m)
- Solid cash position of €5.9 m as at 30 June 2010

* EBITA is defined as Earnings before Interest, Taxation and Amortisation of identified intangible assets

Operational highlights

- Strengthened market position and product range in all key markets
- Over 50% of new customers opted for combined service of cord blood and cord tissue storage in the countries where it is offered
- Successful European launch of Cryo-Lip[®], a new product that allows the collection, processing and storage of adult stem cells from fatty tissue
- Volume growth of 13,300 samples
- Total number of samples stored: 135,000

Reported Group financials

Summary Income Statement

Period ended 30 June	2010 €million	2009 €million	Note
Revenue	19.5	18.6	
Gross profit	13.4	13.2	
Gross profit margin	69%	71%	
Operating expenses including depreciation and amortisation	11.5	11.8	France +€0.5m and €0.2m costs for launch of Cryo-Lip®, offset by cost savings (€0.4 million)
Operating profit	1.9	1.4	Full year impact depreciation and amortisation +€0.3m
Financial result	(0.3)	(0.2)	
Profit before taxation	1.6	1.2	
Taxation	(0.3)	(0.3)	Effective Tax Rate 20% (1HY 2009: 22%)
Profit after taxation	1.3	0.9	
Basic earnings per share (€cents)	13.7	10.0	

Group financials

Summary Balance Sheet

Period ended	30 June 2010 €million	31 December 2009 €million	Note
Non current assets	51.0	51.5	
Current assets	16.7	17.3	Cash €5.9m, from €7.5m
Total assets	67.7	68.8	
Total equity	44.8	43.8	Profit 1HY 2010 minus dividend 2009
Non-current liabilities	13.9	14.7	Increase in deferred revenue (€0.8m), decrease in deferred considerations
Current liabilities	9.0	10.3	
Total liabilities	22.9	25.0	
Total equity and liabilities	67.7	68.8	

Group financials

Summary Cash Flow Statement

Period ended 30 June	2010 €million	2009 €million	Note
Net cash from operations	2.5	3.4	New EU VAT legislation resulted in significant domestic VAT receivables
Net cash from operating activities	2.0	2.6	
Net cash used in investing activities	(3.0)	(2.4)	Investments in PPE, increase in shareholding Sejtbank, Hungary
Net cash from/(used in) financing activities	(0.6)	4.0	Sale & lease back ING (€4.3m) in 2009 Dividend (€0.5m) 1HY 2010
Net increase/(decrease) in cash and cash equivalents	(1.6)	4.2	
Cash and cash equivalents at the end of the period	5.9	8.9	

Markets

Europe

- South Eastern Europe showing growth
- Decreasing volumes in some other European countries suffering from the impact of economic crisis (even number of births decreased)
- Relative market share remained stable
- Strengthened position as market leader underpinned by the success of the combined storage of umbilical cord blood and cord tissue
- Continuation of marketing and sales approach through diagnostic centers and private clinics. Contracts with leading private insurers signed or renewed
- European launch of Cryo-Lip[®], a new product that allows the collection, processing and storage of adult stem cells from fatty tissue

Asia

- Main market is India. Concept of banking umbilical cord blood and cord tissue not yet taken off. Expected to develop steadily across the country, particularly in metropolitan cities

Africa

- Ongoing business

Samples released 1HY 2010

- 9 samples of stem cells used in treatment, in total
- Expect more sample releases as:
 - average storage time of samples augments: increasing age is a risk factor for the likelihood of developing a serious disease
 - scientific breakthroughs
 - medical developments
 - more clinical trials with usage of hematopoietic or mesenchymal stem cells
(www.clinicaltrials.gov)

Applied research and development

- European Commission has funded and launched the HYPERLAB project:
 - Cryo-Save cooperates with 7 universities and research institutes
 - Three year project aims to develop new and improved culture methods, media, and protocols for stem cell cultivation and differentiation
 - Only cord blood bank in Europe to take part in these advanced projects – reflecting both its leading market position and its commitment to the development of stem cell research
- Continued support of CTI research center Lyon, France

Strategy

- Combined service of cord blood and cord tissue storage well accepted by the market and has resulted in revenue growth
- New service Cryo-Lip® launched and first samples expected in 2HY 2010
- Organic growth in several countries
- Cryo-Save is constantly searching for partners (Egypt) or acquisition candidates
- Cryo-Save is also investigating opportunities for adjacent services

Current trading & outlook

- Continued acceptance of combined service and further roll-out into other countries
- First samples expected in 2HY 2010 from Cryo-Lip® and Egypt
- Continued stringent cost control, and cost savings measures where feasible
- Strong cash generation, no significant investments foreseen in e.g. processing and storage facilities

Appendices

Additional background



What we do

- The collection and storage of stem cells taken at birth, or from adults, for potential use in future medical therapies
- Family banking
 - 135,000 samples currently stored (June 2010); ca.50% market share in Europe
- Operations in 39 countries across Europe, Asia & Africa
 - Laboratories and storage facilities in Belgium, India, France, Germany and Dubai
- Network of subsidiaries and partners responsible for regulations and marketing locally
- Team of 270 people dedicated to stem cell storage
- Cryo-Save is **not** involved in the storage or expansion of embryonic stem cells

How we do it

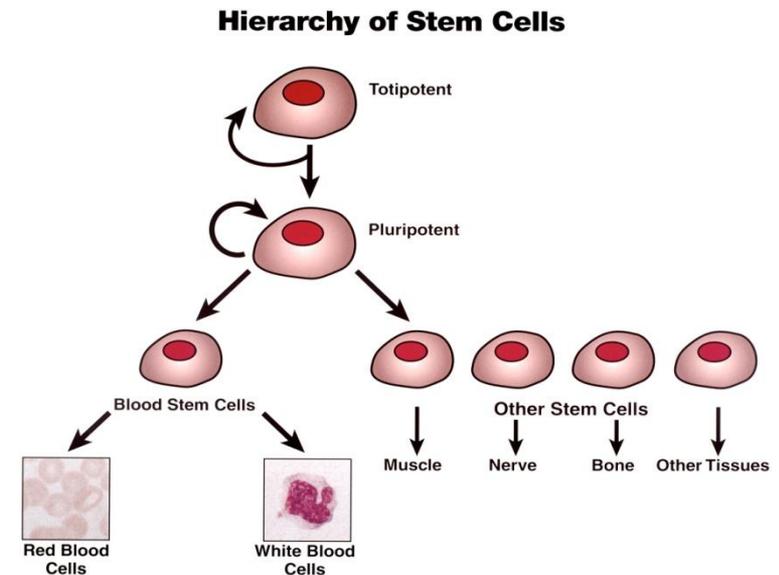
Initial sales to collection

- Marketing via medical professionals, local subsidiaries and partners, and website
- Parents receive sterile collection kit prior to birth
- Parents agree procedure with midwife or obstetrician
- Sample collected at birth
- Delivery to laboratory via courier within 48 hours



What are stem cells?

- Unspecialised cells that can replicate and differentiate themselves into a wide range of specialised cell types
- Form the basis of different human tissues and organs
- Exist in two types:
 - Embryonic: derived from embryos that are 4–5 days old
 - Capacity for unlimited expansion
 - Differentiate into virtually all cell types
 - Significant ethical issues in use
 - Adult: derived from bone marrow, blood or adipose tissue
 - More limited in potential but
 - Do not have ethical concerns



Why store adult stem cells?

- The use of adult stem cells in different therapies is becoming increasingly important in advanced medical therapies
- Stem cell therapies available to the public have grown substantially since 2002. Currently stem cell therapy is common practice in 70 to 85 diseases
- Stem cell therapy has the potential to radically change the treatment of human disease
- Cord blood banking is an established technology
 - Routinely employed in USA since the 1990's
- Stem cells derived from umbilical cord blood offer important advantages:
 - Collection is quick, easy and non-invasive
 - There is no risk for mother or child
 - Stem cells collected at birth are in optimum condition

A once-in-a-lifetime opportunity to help secure your child's future health

Our laboratory approach

Processing and storage

- Receipt of sample at laboratory
- Tested for disease and bacterial contamination
- Samples stored in gas phase of liquid nitrogen
 - An ideal freezing agent
 - Low cost
 - Can maintain the temperature of the samples for up to a week in the event of power loss
- Samples are split into two halves for dual storage in separate locations
- Cryo-Save's major differentiation
 - Operates multiple storage facilities
 - Dual storage

