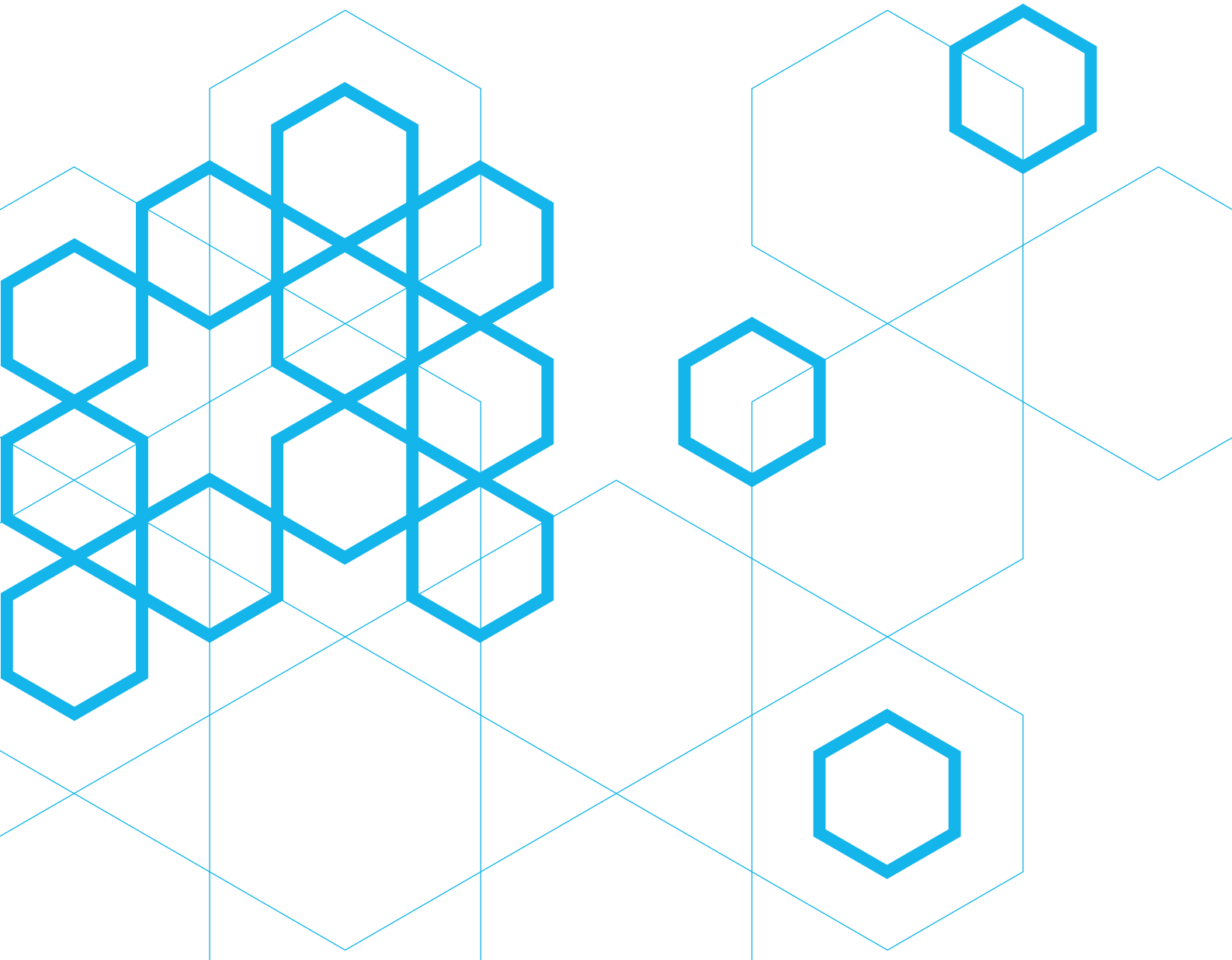
Europe's leading stem cell bank

Cryo-Save Group N.V.
Annual report 2009



Cryo-Save Group is a profitable emerging healthcare services group whose business focuses on the collection, processing and storage of human adult stem cells collected from the umbilical cord blood, and the umbilical cord itself, at birth. The Group currently trades in 38 countries on 3 continents, principally in Europe. It owns or has access to six laboratories where it has to date stored in excess of 120,000 stem cell samples. The Group has 50% of the total cord blood stem cell storage market in Europe.

Financial & operational highlights

Financial highlights

- Revenue up 30% to €38.4 million (2008: €29.5 million)
- Gross margin increased to 71% (2008: 69%)
- Underlying* EBITA up 76% to €6.0 million (2008: €3.4 million)
- Underlying* profit before taxation up 38% to €5.4 million (2008: €3.9 million)
- Underlying* earnings per share up 34% to 48.4 euro cents (2008: 36.0 euro cents)
- Proposed dividend of 6 euro cents per share (2008: 5 euro cents)
- Net cash from operating activities €4.8 million (2008: €2.0 million)

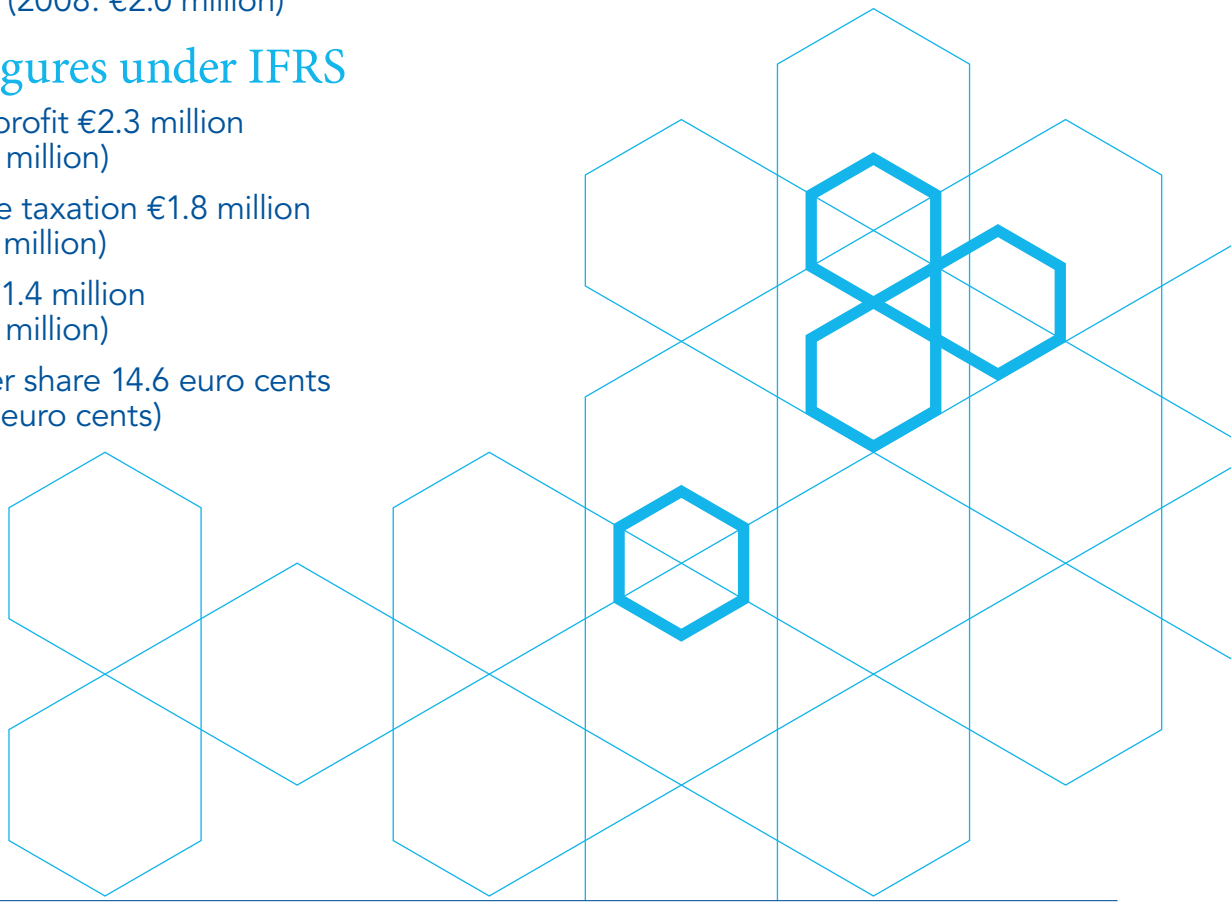
Reported figures under IFRS

- Operating profit €2.3 million (2008: €2.3 million)
- Profit before taxation €1.8 million (2008: €2.9 million)
- Net profit €1.4 million (2008: €2.6 million)
- Earnings per share 14.6 euro cents (2008: 27.3 euro cents)

Operational highlights

- Leading market position maintained or strengthened in all key markets
- Number of new samples stored up 11% to 27,900 (2008: 25,200)
- Over 120,000 samples stored by the end of 2009
- Several samples released for stem cell transplantation and blood testing
- Strong organic growth in Europe

* Underlying results are the reported numbers adjusted for the amortization of identified intangible assets, the write down of the receivable from the Group's associate, the Euronext listing costs and restructuring costs.



Facts & figures

+30%

Revenue up to €38.4 million
Driven by volume growth, price increases, the introduction of our new cord tissue storage service and the impact of acquisitions, revenue grew by 30% in 2009.

No.1

Europe's leading stem cell bank
With an estimated market share of 50%, Cryo-Save is the clear leader in Europe.

4,000

Cord tissues stored
Launched in 2008, the Group saw a good uptake of its new cord tissue storage service, resulting in around 4,000 cord tissues being stored to date.

>120,000

Total number of samples stored as at 31 December 2009

With 27,900 new samples stored in 2009, the total was more than 120,000 as at 31 December 2009.

+11%

Volume increase to 27,900 new samples stored in 2009

In 2009 Cryo-Save achieved double digit growth in the number of new samples stored.

250

Employees globally

Our results were achieved by around 250 highly experienced and strongly motivated employees across the Group.

Industry overview

Cryo-Save collects, processes and stores human adult stem cells for potential use in future medical therapies. These stem cells are collected at birth from the umbilical cord blood as well as the umbilical cord tissue. In the first half of 2010 Cryo-Save will also start to store stem cells obtained from fat reserves via liposuction.

Umbilical Cord Blood stem cells
Umbilical cord blood is found inside the baby's umbilical cord. It is a very rich source of stem cells known as Haematopoietic Stem Cells (HSCs). Cryo-Save's scientists have shown that these stem cells are some of the earliest stem cells known in the human system and have subsequently been grown into many different tissues including the liver, pancreas, nerve tissues, blood vessels, blood and immune system.

Cryopreservation and storage
All current research suggests that stem cells collected from umbilical cord blood have virtually unlimited viability provided that they have been properly cryopreserved for storage. This means that it is likely that they can be kept deep-frozen until they are needed. Cryo-Save is the only stem cell bank in Europe participating in European Commission funded cryopreservation research.

Stem cells can be stored either in public or private banks, but private banking through organizations such as Cryo-Save offers parents a number of significant benefits. For example, by storing their child's stem cells with Cryo-Save, parents can be certain that they will be available for a medical treatment of themselves or their family if and when they are needed. By contrast, if the same stem cells had been donated to and stored by a public bank, there would be no guarantee that the own donation will be available to them. Furthermore, a higher proportion of collected stem cell samples are stored in private banks; only 30 to 50% of all donations are actually stored in a public bank, the rest are discarded.

Cord blood stem cell transplantations
Treatments with cord blood stem cells are one of the major successes of modern medicine. Over 70 routine therapies and around another 15 clinical trials are current applying cord blood stem cells in hospital based treatments. Over 20,000 patients have already been treated with cord blood stem cells for blood system diseases alone. But, new treatments for Cerebral Palsy, Type 1 Diabetes, Thalassaemia, Sickle Cell Anaemia and many other metabolic diseases have also been proven.

In 2009 Cryo-Save released several samples for stem cell transplantation, and some small spare parts of samples for blood testing. Samples were used for acute lymphoblastic leukaemia, for cerebral palsy, and for meduloblastome.

According to today's knowledge, medical scientists believe there is a relatively high probability that a child will use stem cells from its own umbilical cord blood later on in life. It is at least 1/400, and growing.

Cord blood stem cell expansion
It was previously thought that some cord blood units could not be stored due to low levels of stem cells, but Cryo-Save's project with Etablissement Francais Du Sang (EFS), France, the national agency for blood transfusion services, has shown that some cord blood units can be efficiently expanded at clinical grade. This together with the report in Nature Medicine published in January 2010, which reported that expanded cord blood units have successfully been used to treat leukaemia in the USA, gives evidence that a wider range of cord blood units will be available to regenerative medicine in the future.

Umbilical Cord stem cells
During pregnancy, the umbilical cord connects the baby to the placenta in the mother's womb. The tissue between the skin and the blood vessels – called 'Wharton's Jelly' – is one of the human body's richest sources of Mesenchymal Stem Cells (MSCs), that may have a unique ability to help a damaged organ to regenerate. MSCs are found in several body tissues including bone marrow, but this is not as rich

Over 20,000 patients have already been treated with cord blood stem cells for blood system diseases alone

a source as umbilical cord. MSCs are already being used in hospital treatments for heart problems, bowel disease, cartilage, ulcers, and other clinical interventions. They have also been used in combination with umbilical cord blood as a dual therapy to reduce immune system complications. Both the stem cells present in umbilical cord blood, as well as those contained within the umbilical cord itself, can be quickly and easily obtained in the delivery room, in a simple procedure which entails no problems whatsoever, of either a medical or ethical nature. Significantly, this neonatal material is more primitive and uncontaminated than other sources of HSCs and MSCs, such as those that can be drawn from bone marrow. Collection of these stem cells at birth also represents a low cost source of valuable stem cells for the wider community, since they would otherwise be disposed of as a waste in the delivery room.

Potential of human MSCs for organ regeneration
The MSCs isolated from the umbilical cord give rise, using particular culture media, to colonies of multipotent cells capable of generating both *in vitro* and *in vivo*, numerous types of tissue cells (nerve, blood, bone, cartilage, fat, muscle, skeleton, kidney, liver and pancreas cells). This useful phenomenon of multi-differentiating capacity has been interpreted as an expression of the 'plasticity' property of the MSCs. Therefore, in degenerating conditions, of certain pathological or tissue damage conditions, these cells could take differentiative routes other than their normal physiological ones. Such an interpretation appears to find confirmation in the positive clinical results obtained by various research centres with the administration of autologous (same patient as donor) MSCs in patients suffering from pathologies such as myocardial infarction, bone necrosis, bone fractures, meniscal tear, type 1 diabetes, acute necrosis of the brain, obstructive arteriopathy, and chronic toxic hepatopathy.

In degenerative diseases and in numerous pathologies, there is an accompanied loss of specialised cells in organs and tissues, resulting in functional failure. This can lead to a very high healthcare cost to deal with the ongoing symptoms and problems of the disease, with no ultimate underlying treatment available. The lower quality of life is also an issue, potentially leading to premature death. For this reason, developing new treatments capable not only of preventing, but also treating the pathology responsible for the tissue damage and also of restoring the structure and function of the damaged tissue and organs, is of great social importance.

Regenerative medicine
Regenerative medicine is the term now given for what is considered the 'final frontier' of research: to regenerate the damaged tissue in a way that guarantees restoration of the function of not one, but numerous specialized tissues such as liver, pancreas, myocardium, prostate, bones, cartilage, heart valves, auditory system, visual system, skin and more, through the transplant of stem cells, in order to provide new therapeutic treatments for pathologies or lesions that conventional medicine and pharmacological therapies are not able to treat effectively.

Cryo-Save collaborates internationally with leading cord blood experts, including contributing to several clinical trials and research studies not least in France, Switzerland and Germany.

Industry leaders

"Currently, the focus of our research lab is the development of stem cell grafts from umbilical cord. These cells can be harvested from the umbilical cord tissue after birth and can be turned into neurogenic cells in culture. As they originate from the baby's own umbilical cord, there is no risk of immunologic rejection of the cells."

Professor Daniel V. Surbek, M.D.
Department of Obstetrics and Gynaecology, and Department of Research, University Hospital and University of Bern, Switzerland

Stem Cell Transplantation from Umbilical Cord for Perinatal Brain Injury: A step into the Future?

Preterm delivery is a major cause of severe neonatal morbidity and mortality. Despite advances in modern prenatal medicine and obstetrics, 10% of babies are born prematurely, and approximately 1% of all newborns are affected by neurological injuries leading to significant learning disabilities, cerebral palsy or mental retardation later in life. The prevention or treatment of brain injury in the premature infant is therefore one of the highest research priority in medicine.

Brain lesions observed in preterm newborns later developing cerebral palsy mainly consist of periventricular white matter injury, which is characterized by the loss of cells providing myelinisation. This loss of white matter is caused by two main factors: ischemia due to maturation-dependent reduced cerebral blood flow and maternal/fetal infection and inflammation which are usually present in early preterm delivery. While several potential neuroprotective measures have so far shown little success *in vivo*, studies in animal models have suggested that transplantation of stem cells could lead to the regeneration of injured neural tissue in the fetus and newborn. Currently, the focus of our research lab is the development of stem cell grafts from umbilical cord. These cells can be harvested from the umbilical cord tissue after birth and can be turned into neurogenic cells in culture. As they originate from the baby's own umbilical cord, there is no risk of immunologic rejection of the cells. First transplantation experiments in a newborn rat model show that these cells home easily into the periventricular brain tissue after intraventricular transplantation.

Ongoing clinical studies currently use autologous umbilical cord blood cell grafts, transplanted into the bloodstream of children affected by severe cerebral palsy. Although some beneficial effects have been reported, it is currently too early to know if this treatment is successful. Future research will be directed towards optimizing cellular grafts and time points of transplantation. Scientific evidence is now needed to prove that this novel treatment results in the first efficient neuroregenerative treatment for children affected by perinatal brain injury otherwise resulting in lifelong disability.

The best adult stem cells are haematopoietic and mesenchymal stem cells collected at birth

"It appears highly likely that the odds of use for privately banked cord blood samples will soon rise to upwards of 1 in 5 for regenerative medicine."

David T. Harris, Ph.D.
Professor of Immunology, Director, Cord Blood Stem Cell Bank, University of Arizona, Tucson, USA

Regenerative medicine clinical trials
Over the past several years umbilical cord blood has come to be appreciated as a unique source of stem cells. The cord blood field has progressed from using cord blood stem cells in place of bone marrow for hematopoietic transplant (more than 20,000 performed to date), to an exploration of its use in a myriad of regenerative medicine applications.

Currently, there are ongoing regenerative medicine clinical trials at Duke University (for cerebral palsy and HIE), the University of Florida (for type I diabetes), the University of Texas at Houston (for traumatic brain injury), and the University of Georgia (for cerebral palsy and anoxia). A prerequisite for entry into these trials is the availability of autologous (privately banked) cord blood stem cells.

Further, there are ongoing pre-clinical (animal) studies in the use of cord blood stem cells for spinal cord injury (University of Toronto), as a source for generation of iPS cells (Salk Institute), and for cornea and skin regeneration (University of Arizona). It is expected that these studies will shortly lead to additional clinical trials.

Therefore, it appears highly likely that the odds of use for privately banked cord blood samples will soon rise from 1 in 1,000 for a transplant versus leukemia, to upwards of 1 in 5 for regenerative medicine.

"Even more, in the last years, we have seen the interest in the use of adult stem cells when considered a tool in the treatment of different diseases (neurodegenerative, cardiac, traumatologic, ophthalmologist… etc), thanks to its enormous potential of differentiation."

Professor Luis Madero López, M.D.
Head of Department of Pediatric Oncohaematology and Transplants, Pediatric Niño Jesús Hospital, Madrid, Spain

Cellular therapy with stem cells
The first scientific evidence of adult stem cells being present in adults came from the experiments, which I think James Till and Ernest McCulloch carried out during the mid fifties of the past century.

We have clinically used the potential of adult stem cells (Hematopoietic stem cells), for over 15 years, and we can therefore affirm that thanks to hematopoietic transplants (the first type of cellular therapy), thousands of patients have survived from otherwise untreatable diseases.

Within the different kinds of adult stem cells, those found in cord blood, are probably the most plastic. From 1988 the use of cord blood as a source of hematopoietic progenitors, has widely increased, with already over 20,000 transplants taken place, becoming a reliable alternative to transplants either from peripheral blood or from bone marrow.

The results obtained until today, show that a transplant with HLA identical cord blood, has become the best choice for children with malignant, hematological non-malignant and immunodeficiency diseases.

Even more, in the last years, we have seen the interest in the use of adult stem cells when considered a tool in the treatment of different diseases (neurodegenerative, cardiac, traumatologic, ophthalmologist… etc), thanks to its enormous potential of differentiation.

Stem cells have the capacity of renewing and differentiating themselves into different kinds of cells, and as of today, the best adult stem cells to be characterized are hematopoietic and mesenchymal, both present in the umbilical cord.

Considering all clinical uses in cellular therapy with cord blood, cerebral palsy and type 1 diabetes are the two diseases with the most developed clinical use.

In the case of infant cerebral palsy, preliminary results show a slight improvement in the cognitive capacity of some patients, but new studies are necessary in order to double check the use of this procedure.

Type 1 mellitus diabetes is a chronic disease with high prevalence in children, which maintains problems throughout life. Different studies in both the US and Germany have proven that these patients require less insulin, and therefore the risk of complications in the long term drops.

In conclusion, cellular therapy with stem cells is one of the areas in today's medicine which has raised hopes and expectations in the last years. We do not doubt that the possibilities are huge, but it is necessary to develop different clinical trials to confirm efficacy.

Cellular therapy and clinical stem cell trials have raised expectations and underpin the need for stem cell banking

"The use of neonatal stem cells may help overcome this problem, but requires cell banking. Therefore, we have initiated a program for cryopreservation of umbilical cord and cord blood cells of children with a prenatal diagnosis of heart disease."

Prof. Dr. Christof Stamm
Deutsches Herzzentrum Berlin & Berlin Center for Regenerative Therapies

Cell therapy for regeneration of the cardiovascular system

The support of physiologic processes using technical devices, usually followed by organ transplantation, remains the ultimate solution for diseases with severely impaired organ function. In cardiovascular medicine, both concepts have been developed to near-perfection, but fundamental problems remain that limit the survival of patients to several years. In contrast, regenerative medicine encompasses the attempts to restore organ function primarily by biologic means such as the support of intrinsic regeneration processes, cell transplantation, and the engineering of viable tissues or whole organs. After nearly 10 years of clinical cell therapy for heart disease, it has become clear that the currently available human stem cell products cannot fully compensate for a loss of contractile cells. However, they exert a number of indirect beneficial effects on the diseased heart, including blood vessel growth, protection of ischemic cardiomyocytes from apoptosis, modulation of extracellular matrix composition, and manipulation of local immune processes ('Indirect regeneration'). Because inter-individual (allogenic) cell transplantation for cardiac regeneration is limited to cells that escape detection by the immune system, intra-individual (autologous) cell therapy dominates. Inevitably, autologous stem cells are subject to age- and disease-related impairment of their proliferative capacity, paracrine activity, and plasticity. For instance, upregulation of cell cycle inhibitors of the cip/kip and INK4a/ARF family is believed to be an active process to reduce the risk of tumor formation in the ageing organism, but reduces the stem cell capacity for self-renewal, proliferation, and thus organ regeneration. The use of neonatal stem cells may help overcome this problem, but requires cell banking. Therefore, we have initiated a program for cryopreservation of umbilical cord and cord blood cells of children with a prenatal diagnosis of heart disease. Our research activities aim at the identification of patient-related factors that influence the efficacy of cardiac cell therapy. For instance, we found that the serum of patients with certain types of heart failure depresses stem cell proliferation *in vitro*, while in other forms of heart disease have stem cell activating effects. Similarly, the extracellular matrix of normal and disease hearts has specific effects on the behavior of transplanted stem cells. The detailed analysis of this phenomenon became possible due to the recent development of methods where all cells are removed from the myocardium, leaving only the fibrous skeleton of the heart behind. Taken together, these studies help us develop an individualized approach to cardiac cell therapy that takes the great variability of both heart disease and stem cell products into account.

Chairman's statement

Johan Goossens
Chairman

Cryo-Save demonstrated the strength of its business model in 2009 at a time when many corporates suffered during the economic downturn, by reporting record number of new samples stored up 11% to 27,900, revenue up 30% to €38.4 million and underlying profit before taxation up 38% to €5.4 million.

Our success was attributable to a number of key issues including our presence in 38 countries, investments in state-of-art techniques and production facilities, physician enabled marketing, and the introduction of a new service. Furthermore, there is a growing international awareness of the importance of saving one's own and newly born children's stem cells.

The Board is maintaining the Group's strategic focus to grow organic and by acquisitions, both in countries where we are already present and in new countries, as well as introducing innovative services to strengthen further our leading position.

In 2009 we acquired the Italian service company Salus Futura, completed our new flagship processing and storage facility in Belgium, and further rolled out to our main countries our new service to store the cord tissue itself next to the stem cells from the umbilical cord blood. Quality and innovation remains a priority for us.

Since 22 October 2009 Cryo-Save's shares are also traded on NYSE Euronext Amsterdam, which was another milestone following the 2007 listing on the AIM London Stock Exchange. This additional listing should increase the liquidity and visibility of our shares.

Rob Koremans resigned as Chief Executive at the end of July 2009 in order to take up another senior position with a leading pharmaceutical company. Marc Waeterschoot, founder and former Chief Executive, became interim CEO. I would like to express my thanks to Rob for transforming Cryo-Save into a strong and professional organization. I am pleased to report that Arnoud van Tulder, the Group's Finance Director, will become Chief Executive in May 2010.

We are delighted to have achieved strong operational growth coupled with good financial results

In January 2010, our Non-Executive Director Werner Spinner resigned from the Board of Directors. I would like to thank Werner for his commitment and valuable contribution to Cryo-Save during his membership of the Board.

I am very pleased to announce that the Board has decided to propose Dr Ronald Lorijn to be appointed as Non-Executive Director at our Annual General Meeting of shareholders on 19 May 2010. Dr Lorijn was a certified obstetrician/gynaecologist before joining the biotech industry, and is the former CEO of the publicly listed company AMT N.V. (Amsterdam, the Netherlands).

Our achievements in 2009 would not have been possible without the efforts of all our employees that are fully committed to inform customers and medical professionals about the benefits of storing stem cells for autologous use.

We are proposing to our shareholders a dividend for 2009 of six euro cent per share, a 20% increase compared to last year.

Although the 2009 results were good, we remain focused on improved cash flow, cost reduction and strengthened profitability.

Johan Goossens
Chairman
19 March 2010

Chief Executive's review

Marc Waeterschoot
Chief Executive Officer

In 2009, we executed our strategy successfully, resulting in good underlying results. The main strategic objectives met in 2009 were the first year of operations in India and the further introduction of our services to the French market, and the further roll out of the combined service of storing the stem cells from the umbilical cord blood and the cord tissue. Another milestone was the listing on NYSE Euronext Amsterdam stock exchange, which will increase the visibility and liquidity of our shares.

Cryo-Save's strategy is built on the following elements:

Developing existing markets
Due to the nascent state of the industry, we believe that there is still a considerable growth potential in the European markets in which we are already operating and take a leading position with around 50% market share, and we will continue to develop and strengthen our position further in these existing markets.

Geographic growth into new markets
European markets – we are well placed to take advantage of the opportunities presented in several European countries which have emerged and where consumer spending has increased over the last few years, making stem cell storage a service that can be exploited commercially. We are also well positioned to benefit from changes in legislation in selected other European countries, where private stem cell storage is contemplated but currently prohibited. We expect legislative change to open these markets to private storage companies in the short to medium term.

We have successfully entered new markets and introduced new products

Emerging markets – where stem cell storage is still a comparatively unknown process, are being targeted by us. Preferably, we would enter these markets using local partners and consequently without incurring significant start up cost, although there may be reasons not to adhere to this preferential approach, when for practical reasons we may need to acquire or build a processing and storage facility.

Growth by acquisition
Whilst we are seeking to develop our existing business through organic growth, we are also actively seeking opportunities to broaden our service offering and to extend the geographic reach of existing services through the acquisition of businesses that are considered to be a good fit with our culture, ethics and standards.

Development of new services
In the second half of 2009 we successfully rolled out our new combined service of storing stem cells from the umbilical cord blood as well as the cord tissue in several European countries. The uptake by customers is very encouraging, and is a unique selling point which strengthens our competitive position.

We expect to introduce the new Cryo-Lip service in the first half year of 2010 and we believe it will offer significant potential markets in the future. Patients that already opted to do a liposuction will be offered to store their mesenchymal stem cells with Cryo-Save.

We are investigating the (potential) application of cryopreservation to other services and processes by expanding our cryopreservation know-how and facilities. This might result in the introduction of new services in the mid term.

Other services, including the construction of tissues for both drug development and therapeutic use, will continue to be developed, assessed and launched in line with our proven research and development policy.

Marc Waeterschoot
Chief Executive Officer
19 March 2010

New Belgium building containing Europe's largest number of stem cells stored.

Newly acquired French building including processing and storage facility.

Operating & financial review

The 2009 performance of Cryo-Save was characterized by the following:

Financial highlights
- → Revenue up 30% to €38.4 million (2008: €29.5 million)
- → Gross margin increased to 71% (2008: 69%)
- → Underlying* EBITA up 76% to €6.0 million (2008: €3.4 million)
- → Underlying* profit before taxation up 38% to €5.4 million (2008: €3.9 million)
- → Underlying* earnings per share up 34% to 48.4 euro cents (2008: 36.0 euro cents)
- → Proposed dividend of 6 euro cents per share (2008: 5 euro cents)
- → Net cash from operating activities €4.8 million (2008: €2.0 million)

Reported figures under IFRS
- → Operating profit €2.3 million (2008: €2.3 million)
- → Profit before taxation €1.8 million (2008: €2.9 million)
- → Net profit €1.4 million (2008: €2.6 million)
- → Earnings per share 14.6 euro cents (2008: 27.3 euro cents)

Operational highlights
- → Leading market position maintained or strengthened in all key markets
- → Number of new samples stored up 11% to 27,900 (2008: 25,200)
- → Over 120,000 samples stored by the end of 2009
- → Several samples released for stem cell transplantation and blood testing
- → Strong organic growth in Europe

* Underlying results are the reported numbers adjusted for the amortization of identified intangible assets, the write down of the receivable from the Group's associate, the Euronext listing costs and restructuring costs.

Business model

Cryo-Save is a profitable healthcare services group whose business focuses on the collection, processing, preservation and storage of human adult stem cells collected at birth from both the umbilical cord blood and the cord itself. Founded in 2000 in the Netherlands, the Group currently trades in 38 countries, principally in Europe. The Group has three processing and storage facilities (Niel, Belgium, Bangalore, India and Lyon, France under construction) and has access to another three facilities (Dubai, Germany and the Netherlands) where it has stored in excess of 120,000 stem cell samples. This represents approximately 50% of the total cord blood stem cell samples stored in Europe.

In mid 2008, Cryo-Save was the first company to introduce the storage of umbilical cord tissue as a service and since launch the Group has stored more than 4,000 umbilical cord samples. Cryo-Save is the largest adult stem cell storage group in Europe based on the number of stored samples.

Cryo-Save's services allow parents and guardians to collect and cryogenically preserve a child's stem cells contained in the blood of the umbilical cord, or to collect and preserve the cord itself, so that they may be used in medical therapies if the child so requires during his or her lifetime. Samples are taken immediately following birth and once collected are delivered to our laboratories for processing, analysis and storage. Samples are stored in the gas phase of liquid nitrogen using sophisticated biological storage techniques. Upon successful storage of the sample, the customer pays the full service fee, without any recurring annual fees. However, in some countries we give customers the option to pay in instalments. The storage is monitored under laboratory conditions for a minimum of 20 years. After 20 years the customer is offered the opportunity to continue with the storage and, on payment of a further fee, may store their sample for a further period. The collection of adult stem cells from the umbilical cord is widely considered to be non-invasive, simple and safe.

Continued growth and strong results across the Group

Cryo-Save's principal business is Cryo-Cord which involves the provision of materials and standard operating procedures for (i) the collection, processing, preservation and storage of haematopoietic stem cells (HSCs) taken from the umbilical cord blood, as well as (ii) the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSCs), the latter being a new feature the Group added to the Cryo-Cord service in June 2008 in addition to, and separate from, the collection of HSCs taken from the cord blood.

In addition, the Group is currently developing a new service, Cryo-Lip, which it intends to introduce to the market in the first half year of 2010. Cryo-Lip involves the collection, processing, preservation and storage of fat tissue containing MSCs obtained via liposuction from adults.

Highlights 2009
In March 2009 Cryo-Save announced that it had 100,000 stem cell samples under storage, underpinning its market leading position in Europe. Quarter on quarter the Group achieved a storage record, resulting in slightly over 120,000 samples stored as at 31 December 2009.

During 2009 Cryo-Save completed the development of its new state-of-the art processing and storage facility in Niel, Belgium. This facility was self-funded and has been operational since the beginning of September 2009. Cryo-Save completed the sale and lease back of the Niel facility in April 2009 for €4.3 million.

In July 2009, Cryo-Save signed an exclusive distribution agreement with a leading pan European medical diagnostic labs network. This has further strengthened the Group's leadership position. The laboratories will be used as a point of contact and sale for the potential customers.

Also in July 2009, Cryo-Save acquired Salus Futura in Italy for an initial consideration of €0.4 million in cash and a deferred performance related payment. Salus Futura is an Italian stem cell storage marketing and distribution company which concentrates primarily on customer acquisition through diagnostic centres and private clinics.

Since 22 October 2009 Cryo-Save's shares are also traded on NYSE Euronext Amsterdam, in addition to the Group's listing on the London Stock Exchange/AIM. This additional listing should increase the liquidity and visibility of its shares.

Key financials for 2009
The underlying 2009 numbers are adjusted for the write down of the receivable from the Group's associate (€1 million), the Euronext listing costs (€1 million) and restructuring costs (€0.4 million).

	2009 €'000	2008 €'000
Revenue	**38,391**	29,485
Gross profit	**27,223**	20,207
Underlying marketing and sales expenses	**10,147**	7,817
Research and development expenses	**403**	97
Underlying general and administrative expenses[1]	**9,626**	8,342
Underlying EBITDA	**7,047**	3,951
Depreciation expenses	**999**	551
Amortization expenses[2]	**97**	16
Underlying EBITA	**5,951**	3,384

[1] General and administrative expenses do not include depreciation and amortization expenses.

[2] Amortization expenses do not include amortization of identified intangible assets.

Financial review

Revenue

Group revenue increased sharply to €38.4 million (2008: €29.5 million), up 30% as a result of a combination of the increase in storage volumes, the full year impact of acquisitions, especially CrioCord in Spain and Cryo-Save Balcanica, and the full year impact of price increases from late 2008.

Revenue includes the impact of the change of discount rate on the net present value of deferred revenue amounting to €0.2 million (2008: €0.2 million).

Overall, total storage of new samples grew 11% to 27,900 samples, in comparison to the 25,200 new samples stored in 2008. All of this growth was organic and mainly achieved in Europe and Asia.

Total sales volume for the second half of the year grew 10% to 14,600 samples (2HY 2008: 12,700) in comparison to the 13,300 new samples stored in the first half of 2009 (1HY 2008: 12,500).

Geographical breakdown of revenue

	2009 €m	2008 €m
Europe	**36.5**	28.5
Asia	**1.2**	0.4
Africa	**0.7**	0.6
Total	**38.4**	29.5

Europe remains Cryo-Save's main market, underpinning its leading position in Europe. Revenue growth in Europe was a result of a combination of higher sales volume, the introduction of the combined service storing stem cells from umbilical cord as well as the cord tissue, and the full year impact from 2008 acquisitions. The growth in Asia is all organic mainly from the Indian business.

Gross profit and gross margin

Gross profit increased by 35% to €27.2 million (2008: €20.2 million). The gross margin increased to 71% (2008: 69%). The impact from acquisitions, the late 2008 price increase, and cost savings particularly in terms of logistics, were the main drivers for the margin improvement.

Operating expenses

Reported operating expenses, excluding depreciation and amortization, amounted to €22.6 million (2008: €16.3 million), but included €2.4 million exceptional non-recurring expenses, resulting in underlying operating expenses of €20.2 million (2008: €16.3 million). The increase was mainly caused by the impact from the 2008 acquisitions and the additional investments in the Indian and French operations, partly offset by cost savings.

In 2009, Cryo-Save continued to invest in its Indian operation and in France. Operating expenses of the Group's Indian operations were €0.5 million (2008: €0.4 million), and operating expenses of the French operations were €1.1 million higher (2008: €0.2 million).

Underlying marketing and sales expenses amounted to €10.2 million (2008: €7.8 million). Reported marketing and sales expenses increased to €10.6 million (2008: €7.8 million), including €0.4 million exceptional non-recurring restructuring expenses of the Italian subsidiary as a result of the integration of the Italian subsidiary and the acquired entity Salus Futura.

Research and development costs of €0.4 million (2008: €0.1 million) relate to: the new services added to the Cryo-Cord service in June 2008 (the collection, processing, preservation and storage of the umbilical cord tissue containing MSCs); the development of Cryo-Lip, a new service of the collection, processing, preservation and storage of fat tissue containing MSCs obtained via liposuction from adults (proposed launch in the first half year of 2010) and; funding applied research.

Our focus continues to be on strong revenue growth and improving cost control

Underlying general and administrative expenses, excluding the exceptional non-recurring write down of the receivables from the Arabian associate (€1.0 million), the non-recurring Euronext listing costs (€1.0 million) and depreciation and amortization amounted €9.6 million (2008: €8.3 million). Reported general and administrative expenses excluding depreciation and amortization amounted €11.6 million (2008: €8.3 million).

Cryo-Save's associate Cryo-Save Arabia, which operates in the United Arab Emirates, saw a significant decrease in sales during 2009. As a result, the Group wrote down €1.0 million of receivables due from Cryo-Save Arabia. This relates to non-cash fees of €0.5 million for services regarding the construction of the processing and storage facility, a non-cash royalty fee of €0.2 million for samples processed and stored in Dubai, and a fee of €0.3 million for samples processed and stored in the Belgium processing and storage facility from UAE customers. The receivables comprise of €0.5 million relating to 2007, €0.3 million to 2008 and €0.2 million to 2009.

The non-recurring Euronext listing costs mainly relate to advisers fees.

EBITA and operating profit

Underlying Earnings Before Interest, Taxation and Amortization of identified intangible assets (EBITA before Arabia write down, Euronext listing costs and restructuring costs) increased significantly by 76% to €6.0 million (2008: €3.4 million), as a result of higher gross profit and tight cost control, partly offset by higher investments in India and France, and higher depreciation. This EBITA improvement reflects the Group's high operational gearing. Reported EBITA was €3.6 million (2008: €3.4 million). Underlying operating profit was up 76% to €6.0 million (2008: €3.4 million). Reported operating profit was €2.3 million (2008: €2.3 million).

Depreciation was €1.0 million (2008: €0.6 million) and amortization €1.3 million (2008: €1.0 million). The increase of depreciation is mainly caused by the start of depreciating the Belgium and French building including its new equipment. Amortization mainly increased due to the identified intangible assets of Salus Futura and the start of amortization of the capitalised costs of Cryo-CordPlus and the Group's new website.

Net finance costs/income

Net finance costs of €0.5 million included €0.3 million of non-cash IFRS expenses from unwinding discounted earn out liabilities.

The change compared to the net finance income of €0.6 million in 2008 was mainly caused by the high interest income in the first half year of 2008 on cash deposits which were spent on acquisitions in the second half of 2008.

Profit before taxation

Underlying profit before taxation was up 38% to €5.4 million (2008: €3.9 million). Reported profit before taxation was €1.8 million (2008: €2.9 million).

Taxation

The underlying effective tax rate (ETR) amounted 17% (2008: 14%), the reported ETR 24%. The ETR increased compared to 2008 mainly due to losses carried forward that were not capitalised due to the uncertainty of future profits to offset these losses. Furthermore, the ETR increased due to increased profits in countries with a relatively high tax rate, compared to our historically low ETR.

Profit for the period

Underlying profit after taxation for 2009 was up 32% to €4.5 million (2008 €3.4 million). Reported profit after taxation amounted €1.4 million (2008: €2.6 million).

Earnings per share
Underlying earnings per share were up 34% at 48.4 euro cents per share (2008: 36.0 euro cents).

Reported earnings per share were 14.6 euro cents per share (2008: 27.3 euro cents per share, adjusted for the 5:1 Share Consolidation exercised in October 2009).

Dividend
The Board is recommending a dividend up 20% of 6 euro cents per share (2008: 5 euro cents) for the year ended 31 December 2009. If approved at the Annual General Meeting on 19 May 2010, the dividend will be paid on 17 June 2010 to shareholders on the register at 23 May 2010. The ex-dividend date will be 21 May 2010.

Cash flow
Net cash from operating activities was €4.8 million (2008: €2.0 million). The Group invested €4.6 million in property, plant and equipment, mainly related to the new processing and storage facility in Niel, Belgium, which was financed by the sale and lease back transaction with ING Lease Belgium N.V. of €4.3 million.

Consolidated balance sheet

	2009 €'000	2008 €'000	Variance €'000
Total non-current assets	**51,505**	49,803	1,702
Total current assets	**17,330**	14,345	2,985
Total equity	**43,807**	43,053	754
Total non-current liabilities	**14,705**	13,653	1,052
Total current liabilities	**10,323**	7,442	2,881

Total non-current assets
The increase of the non-current assets of €1.7 million is caused by investments in property, plant and equipment, mainly relating to the Belgium property, partly offset by amortization of identified intangible assets of acquisitions.

Total current assets
Cash increased with €2.8 million to €7.5 million. Trade and other receivables increased with €0.8 million due to the growth of sales and the payment in instalments facility, which is offered to the customers since late 2008. Tax assets decreased with €0.5 million mainly due to the collection of €0.7 million VAT early 2009 related to the new French property.

Total equity
Total equity increased with €0.8 million, to €43.8 million, mainly due to the profit for the period of €1.4 million and a decrease of on balance €0.6 million, related to repurchased shares held in treasury, foreign exchange differences on investments, share-based payments and dividend declared.

During 2009 Cryo-Save acquired 70,000 own shares with a nominal value of €0.10 each under our share buy-back programme. At 31 December 2009 the Company held 424,000 own shares with a nominal value of €0.10 each in treasury, which are recorded at cost, representing the market price on the acquisition date.

Total non-current liabilities
Total non-current liabilities of €14.7 million at 31 December 2009 (31 December 2008: €13.7 million) contained amongst others the present value of deferred revenue, amounting to €6.1 million (2008: €4.9 million), that match the estimated remaining costs of the 20 years storage period including a profit margin. The increase from €4.9 million at 31 December 2008 to €6.1 million at 31 December 2009 is the balance of additions to deferred revenue due to the storage of new samples in 2009 less the release to the income statement for the storage period during 2009, and the difference between the present value as at 31 December 2009 and 31 December 2008.

We remain cash generative and are committed to maintaining a strong balance sheet

Earn out liabilities, based on predefined performance criteria to former shareholders of Sejtbank and CrioCord pursuant to the sale and purchase agreements, decreased from €5.8 million at 31 December 2008 to €2.1 million at 31 December 2009 due to the announced post balance sheet date purchase of the 30% minority shareholding to which the Sejtbank earn out arrangement is related, and an adjustment of the estimated performance during the earn out period. The decrease of the earn out liabilities has been credited to goodwill. The purchase price of the Sejtbank minority shareholding has been presented under current liabilities.

The Group has entered into a 15-year financial sale and lease back agreement of €4.3 million for its newly built processing and storage facility in Niel, Belgium with ING Lease Belgium N.V., of which €3.8 million is recognized as a non-current borrowing.

Total current liabilities

Total current liabilities increased from €7.4 million at 31 December 2008 to €10.3 million at 31 December 2009, mainly due to other payables, that include the €1.4 million purchase price of the 30% minority shareholding of the Hungarian and Czech subsidiaries.

Strategy

During 2009 the Group delivered on its strategic objectives: organic growth in existing markets, geographic growth into new markets, growth by acquisitions and development of new services. The Group strengthened or maintained its leading market position in all key markets. Cryo-Save will pursue these strategic objectives also in 2010 to maintain the rapid growth.

Operating review

Cryo-Save is Europe's leading stem cell bank with a market share of around 50%, having stored over 120,000 samples by year end 2009. The Group is present in almost all European countries, by means of its own subsidiary or via a marketing and sales partnership. There is no stem cell bank that can match Cryo-Save's geographic spread.

In 2009, there have been several new entrants to the market. Despite this, in almost all countries the Group maintained or even strengthened its leading position. Cryo-Save was the first Company that introduced the storage of cord tissue in several European countries.

In 2009, the Group continued its marketing and sales approach concentrating on customer acquisition through diagnostic centres and private clinics. Also some contracts with leading private insurers that support this service towards their clients were renewed.

In Asia, the main market for Cryo-Save is currently India. The Group has introduced its services successfully to the market, in several key metropolitan cities. The concept of banking umbilical cord blood and the cord tissue is rapidly developing across the country but particularly in urban centres. Public banking has yet to take off, partly because donation to a public bank is hampered by the fact that there is a high human leukocyte antigen (HLA) diversity in the country, which makes a perfect HLA match between donor and patient difficult to achieve. In slightly over a year Cryo-Save has already gained a strong market position.

Applied research and development of new services
In the last four months of 2009, after a long period of development and validation, the Group rolled out its new combined service of storing stem cells from both the cord blood and umbilical cord itself, in the main European markets. The uptake by customers is satisfying.

The development and validation of the new Cryo-Lip service, which is scheduled to be launched during the first half year of 2010, progressed well in 2009. Cryo-Lip involves the collection and storage of fat tissue containing MSCs obtained via liposuction from adults. In the first half year of 2009 the Group undertook a detailed validation of the collection and processing procedures. During the second half of 2009 Cryo-Save further optimised all of the procedures, including the devices to be used, in order to improve the quality and lower the cost of the service. A detailed business plan to introduce Cryo-Lip to the market was developed and first contacts with Europe's premium cosmetic and plastic surgery clinics were made. These clinics will be the primary point of contact and sale for this innovative new service offering.

Crystal and Hyperlab EU funded research projects
The three year long Crystal project which was funded by the European Commission's 6th Framework programme for Research and Development (FP6), completed during 2009. In 2007 Cryo-Save was selected to work alongside five European universities, two SMEs and one research institute to collaborate under the auspices of the University of Cologne, in a major project to develop tools and procedures to enable cryopreservation of different types of stem cells in order to generate sufficient amounts of high-quality stem cells for therapeutic use. The objectives of the research revolved around three axes: preparation and cultivation methods, preservation methods, and validation methods. As a result of its participation in this project Cryo-Save is now at the leading edge of freezing cells for therapeutic use.

Following the completion of Crystal, the European Commission Framework 7 has now funded and launched the Hyperlab project. Cryo-Save is one of eight institutions which will collaborate under the coordination of Prof. Dr. Heiko Zimmermann. This three years project, which was launched on 1 February 2010, aims to develop new and improved culture methods, media, and protocols for stem cell cultivation and differentiation.

Cryo-Save is the only cord blood bank in Europe to take part in these advanced projects – reflecting both its market leading position and its commitment to the development of stem cell research.

Clinical trials and research studies
In 2009 the Group signed agreements with two hospitals in Switzerland and Germany to participate in clinical trials and research studies in brain injury and heart disease respectively. There is no material investment involved in participating in these trials, however, the acceptance of autologous stem cell storage will increase significantly if it is proven that stem cell transplantations *in vivo* cure diseases. Consequently, Cryo-Save is not just interested in banking stem cells, but also in their application. Cryo-Save takes the research necessary to make this a possibility very seriously, which is why Cryo-Save is not only the largest stem cell bank in Europe, but also the best. Our commitment to the development of stem cell research and our unwavering focus on adherence to the highest possible quality standards means that parents can be assured that their child's stored stem cells are in safe hands.

We are confident that Cryo-Save will continue to maintain its growth

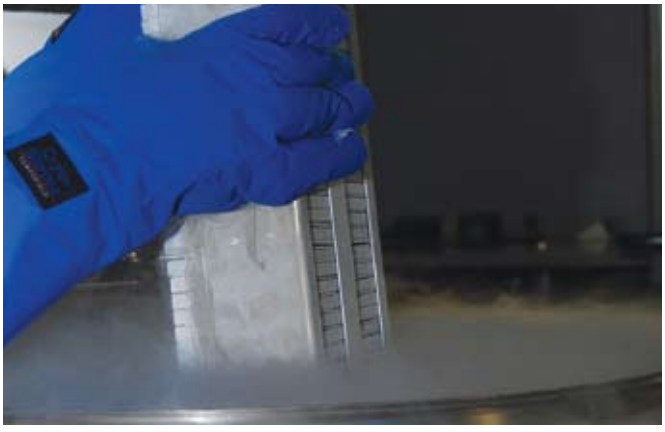
Delisting from London Stock Exchange/AIM
The Group is currently listed on the NYSE Euronext Amsterdam Stock Exchange and the non-regulated London Stock Exchange/AIM. The Board has decided to recommend a delisting from AIM in order to increase liquidity of its shares on NYSE Euronext Amsterdam Stock Exchange and to save the costs from two listings. The Group will examine the process to delist from AIM.

Current trading and outlook
In the second half of 2009 Cryo-Save strengthened its strategic position and operational capabilities. The combined service of cord blood and cord tissue storage has been well accepted by the market and is expected to result in higher revenue in 2010. In the first half of 2010 the new service Cryo-Lip will be launched whilst restructurings and cost savings in 2009 will also result in a higher operational gearing in 2010.

With the Group's increased geographic spread, and new services, the Board is confident that Cryo-Save will continue to maintain its rapid growth.

Marc Waeterschoot
Arnoud van Tulder
19 March 2010

Stem cells samples safely stored in dewars.



Stem cells packed in canisters safely stored in gas phase of liquid nitrogen.

Board of Directors

Johan Goossens (Monaco, 1955)
Non-Executive Director, Chairman of the Board

Johan Goossens co-founded the Company in 2000 having gained over 20 years' experience in private and investment banking, starting with KBC in 1979 and holding positions at a number of other institutions, including Nedee & Co, Defever and BNP-Naegelmackers. He left BNP-Naegelmackers in 1994 to focus on 'Beurstips', a weekly investment magazine published in Belgium, which he founded in 1992. This publication grew to be one of the most successful Belgian investor magazines and was sold by J. Goossens in 2005. J. Goossens holds a Bachelor of Economics degree from the High School of Ghent as well as a postgraduate qualification in marketing.

Marc Waeterschoot (Belgium, 1949)
Executive Director, Chief Executive Officer

Marc Waeterschoot co-founded the Company in 2000 and has led its growth. M. Waeterschoot is a qualified pharmacist and clinical pathologist having previously been a member of the board of directors of the state university of Ghent, Unilabs SA and DLMC. He has over 35 years of industry expertise having managed and worked for a variety of healthcare companies, most notably Labo Medicom.

Strong leadership, experienced Board

Arnoud van Tulder (The Netherlands, 1961)
Executive Director, Chief Financial Officer

Previously Vice President Corporate Accounting with Wolters Kluwer, a public company, before he joined the Company in August 2007. He is a qualified chartered accountant and worked for KPMG for over 10 years.

Arnoud van Tulder joined Cryo-Save in August 2007 as the Group's Chief Financial Officer, and will become Chief Executive Officer in May 2010.

Walter van Pottelberge (Belgium, 1944)
Non-Executive Director

Walter van Pottelberge joined the Company's Board as a Non-Executive Director in 2007. W. Van Pottelberge was Chief Executive Officer of ING Insurance Belgium-Luxembourg for eight years up until 2001. W. Van Pottelberge was also president of the executive committee of Mercator Bank NV between 2003 and 2005. He served on the advisory board of Goffin bank since 2005 where he was also Chairman of the Audit Committee. W. Van Pottelberge serves on various other company boards and organizations including UBCA N.V., DELA Re, VOKA, Argenta (where he serves as a member of the Audit Committee), Inventive Designers, Private Insurer (president of the Audit Committee), Record Credit Services (president of the Audit Committee), Gudrun Group, the University of Antwerp and Vlerik Leuven Management School. W. Van Pottelberge holds a university degree in physics and actuarial science from Leuven University.

Remuneration report

Selection, Appointment and Remuneration Committee
The Selection, Appointment and Remuneration Committee consists of the Non-Executive Directors and is chaired by W. Van Pottelberge. The Selection, Appointment and Remuneration Committee is responsible for the implementation of the Executive Directors' remuneration policy and its costs. Within the framework of the remuneration policy determined by the General Meeting, the Selection, Appointment and Remuneration Committee determines the base salary, performance related remuneration and share options, as well as any other benefits for the Executive Directors. The duties of this permanent committee are defined by the charter of the Selection, Appointment and Remuneration Committee, which is published on the Group's website (www.cryo-savegroup.com).

Remuneration of the Board of Directors
Remuneration policy for Executive Directors
In accordance with the Articles of Association, the General Meeting adopts the remuneration policy in respect of the Executive Directors. The Non-Executive Directors establish the remuneration of the individual Executive Directors, with due observation of the remuneration policy as adopted by the General Meeting. With respect to arrangements in the form of shares or share options, the Non-Executive Directors shall submit a proposal to the General Meeting for approval. The proposal must include the number of shares and/or share options that may be granted to Executive Directors and which criteria apply to a grant or modification.

The goals of the Group's current remuneration policy in respect of its Executive Directors remuneration as adopted by the General Meeting on 5 October 2009 are to align individual and company performance and enhance long-term commitment to the Group. Remuneration of the Executive Directors consists of three elements: a base salary, a variable bonus and share options. The base salary of the Executive Directors is determined by the Selection, Appointment and Remuneration Committee. The bonus is determined annually by the Selection, Appointment and Remuneration Committee and varies according to performance. The bonus makes up a large portion of the Executive Directors total compensation, reflecting the philosophy that their compensation is linked to shareholder value. The share options which are granted under the Share Option Scheme serve as a long term incentive. They have a vesting period of three years and can be exercised upon vesting within ten years from the grant date. The current remuneration policy prescribes that upon termination of employment, an Executive Director shall receive an amount to be determined in accordance with Dutch law or, as the case may be, by the Dutch courts.

Remuneration 2009 Executive Directors
Fixed and variable compensation and other considerations for the Executive Directors in 2009 are detailed in Note 37 of the Financial Statements.

One of the Executive Directors was granted a bonus that was based on meeting the Group's internal objectives for 2009, and share options were granted on 23 April 2009 under the 2007 Share Option Scheme.

Remuneration policy for Non-Executive Directors
In accordance with the Articles of Association, the General Meeting determines the remuneration of the Non-Executive Directors. On 5 October 2009 the General Meeting determined that as of 1 January 2009 the annual remuneration of Non-Executive Directors is as follows:
- €30,000 for each Non-Executive Director
- €10,000 additionally for the Chairman of the Board of Directors
- €5,000 additionally for the Chairman of a sub-committee of the Board of Directors
- €2,500 additionally for each member of a sub-committee of the Board of Directors

Remuneration 2009 Non-Executive Directors
The remuneration of the Non-Executive Directors is detailed in Note 37 of the Financial Statements.

Directors' service agreements
The terms and conditions of the service agreements with the Executive and Non-Executive Directors did not change in 2009, except for the termination date of the Non-Executive Directors. On 5 October 2009 the General meeting of Shareholders extended the appointment of J. Goossens until October 2012, and of W. Van Pottelberge until October 2011.

The main terms and conditions are summarized below.

M. Waeterschoot
M. Waeterschoot has a service agreement with the Company for an indefinite period, subject to termination upon six months' notice should the Company terminate and three months' notice should M. Waeterschoot terminate. The agreement provides for an annual salary of €120,000 plus an annual discretionary bonus to be determined by the Selection, Appointment and Remuneration Committee, a business expense allowance, a company car, 30 days paid holiday per annum and membership of the pension scheme. He is also entitled to participate in the Share Option Scheme, the grant of options being determined by the Selection, Appointment and Remuneration Committee in accordance with such scheme. M. Waeterschoot is subject to non-competition and non-solicitation covenants for a period of 12 months following the termination of his employment.

M. Waetershoot shall receive a bonus in respect of a financial year in which he works for the Company, equal to the lesser of (a) such amount as is decided by the Selection, Appointment and Remuneration Committee, provided that the Group has achieved the objectives set out in its business plan; and (b) 100% of his annual salary.

A. van Tulder
A. van Tulder has a service agreement with the Company for an indefinite period, subject to termination upon six months' notice should the Company terminate and three months' notice should A. van Tulder terminate. The agreement provides for an annual salary of €130,000 plus an annual discretionary bonus to be determined by the Selection, Appointment and Remuneration Committee, a business expense allowance, a company car, 25 days paid holiday per annum and membership of the pension scheme. He is also entitled to participate in the

Share Option Scheme, the grant of options being determined by the Selection, Appointment and Remuneration Committee in accordance with such scheme. A. van Tulder is subject to non-competition and non-solicitation covenants for a period of 12 months following the termination of his employment.

A. van Tulder shall receive a bonus in respect of a financial year in which he works for the Company, equal to the lesser of (a) such amount as is decided by the Selection, Appointment and Remuneration Committee, provided that the Group has achieved the objectives set out in its business plan; and (b) 100% of his annual salary.

J. Goossens

J. Goossens is appointed as a Non-Executive Director on the terms of a letter of appointment for an initial fixed term of three years commencing on 1 October 2007. On 5 October 2009, the General Meeting extended his appointment until October 2012. J. Goossen's engagement can be terminated by him at any time by giving notice to the Company and be terminated by the Company by giving J. Goossens three months' notice. J. Goossens is remunerated as per the remuneration determined by the General Meeting on 5 October 2009 as set out before.

W. Van Pottelberge

W. Van Pottelberge is appointed as a Non-Executive Director on the terms of a letter of appointment for an initial fixed term of three years commencing on 1 October 2007. On 5 October 2009, the General Meeting extended his appointment until October 2011. W. Van Pottelberge's appointment can be terminated by him at any time by giving notice to the Company and be terminated by the Company by giving W. Van Pottelberge three months' notice. W. Van Pottelberge is remunerated as per the remuneration determined by the General Meeting on 5 October 2009 as set out before.

2007 and 2009 Share Option Schemes

2007 Share Option Scheme

On 30 October 2007, the Group established a share based incentive plan that is called the '2007 Share Option Scheme'. All employees and Executive and Non-Executive Directors who are nominated by the Board of Directors are eligible to participate in the 2007 Share Option Scheme, as are certain third parties selected by the Board of Directors. The main characteristics of the 2007 Share Option Scheme are set out below.

The Selection, Appointment and Remuneration Committee shall determine the number of shares to be included in an option. The amount payable for each share in the event of the option being exercised shall be the option price.

The number of shares in respect of which options may be granted under the 2007 Share Option Scheme on any date of grant when added to the aggregate number of ordinary shares shall not exceed 5% of the number of shares in issue immediately prior to such date of grant, and is defined as follows:

- the number of shares comprised in subsisting options;
- the number of shares which have been issued on the exercise of options; and
- the number of shares which have been or may be issued on the exercise of options granted during the period of 10 years ending on the date of grant under any other option scheme approved by the General Meeting.

An option may not be exercised later than the day before the 10th anniversary of the date that the same was granted on which day the option (if it has not already ceased to be exercisable) shall lapse.

An option may not be exercised prior to the third anniversary of the date the same was granted except by reason of some specific circumstances (injury, ill health, disability, death, redundancy) or at the discretion of the Selection, Appointment and Remuneration Committee for any other reason.

All options currently outstanding were granted under the 2007 Share Option Scheme.

2009 Share Option Scheme

On 5 October 2009 the General Meeting adopted a revised Share Option Scheme, which is called the '2009 Share Option Scheme'. The main amendment in relation to the 2007 Share Option Scheme is that the Selection, Appointment and Remuneration Committee may adjust the number of options that have been granted to a participant in the event the options were granted based on incorrect financial or other data, or in the event due to extraordinary circumstances arisen since the date of the grant of the options, the exercise of the options by a participant would produce an unfair result. The adjustment may only be downwards if options were granted based on incorrect financial or other data. In such an event the Selection, Appointment and Remuneration Committee may also recover from a participant any amounts received after the exercise of the options. In the event the exercise of the options by a participant would produce an unfair result due to extraordinary circumstances arisen since the date of the grant of the options, the adjustment may be both upwards and downwards.

Senior management remuneration

Senior management remuneration consists of a base salary, a variable bonus and share options. The variable bonus is based on the achievement of specific objective targets that are linked to creating value for Shareholders, such as for example revenue performance, and makes up a large portion of Senior Management's total compensation. Senior management participates in the same Share Option Scheme as the Executive Directors.

Selection, Appointment and Remuneration Committee
Johan Goossens
Walter van Pottelberge
19 March 2010

Risk management

Risk management and control systems

Cryo-Save operates in a highly regulated environment. In the European Union our activities are governed by national laws implementing various European directives. The EU Tissues and Cells Directive on donation, procurement, testing, processing, preservation, storage and distribution of human tissues and cells, including HSCs and MSCs, brought into the EU and EEA by Directives 2004/23/EC (the ''Tissues and Cells Directive''), 2006/17/EC (the ''First Technical Directive'') and 2006/86/EC (the ''Second Technical Directive'', together the ''Directives''), created a common legal framework regulating activities with tissues and cells. Those tissue establishments performing regulated activities must be licensed to do so by competent authorities designated by each member state. They are required to obtain informed consent from donors, protect personal data, maintain confidentiality, evaluate and select donors and implement appropriate quality and safety measures. Tissue establishments should operate using a Quality Management System (QMS) based on principles of good practice, including at least standard operating procedures, guidelines, training and reference manuals, reporting forms, donor records and information on the final destination of tissues and cells, ensuring availability for inspection by the national competent authority. A qualified responsible person must be designated and personnel directly involved in the tissue establishment activities need to be suitably trained and qualified. Tissue and cell reception must be fully compliant with defined regulatory requirements, as must processing, storage, labelling, documentation, packaging and distribution. Tissue establishments must furthermore evaluate and enter into written agreements with third parties where the quality and safety of tissues and cells processed in co-operation with the third parties is influenced, and they must record and make available such agreements for inspection by national authorities.

Cryo-Save complies with all these requirements, which underpins the control and compliance attitude of the Company.

All employees are encouraged to raise genuine concerns about possible improprieties in the conduct of our business, in matters of a general, financial, operational or other nature, at the earliest opportunity and in an appropriate way.

Beside the above mentioned appropriate control systems for its core operations, Cryo-Save also implemented risk management and control systems to manage other risks. A proper budget process, local management's responsibilities and accountability, monthly reporting, quarterly review meetings with senior management and the Executive Directors, external audits and internal letters of representation are all part of our risk management and control systems.

At least once a year the results of our internal findings as well as the observations by our external auditors are discussed with the Audit Committee, and improvement plans are implemented where necessary.

Risk categories

The risks and uncertainties described below are a list of strategic, operational, compliance and financial risks and uncertainties currently known to us and which we deem material. Additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may also have an adverse effect on our business, financial condition and/or results of operations. All these factors are contingencies which may or may not occur. We may face one or more of the risks and uncertainties described below simultaneously.

Strategic risks

Acquisition risks

We may make acquisitions in circumstances where we believe that such acquisitions would support our strategy. However, there can be no assurances that we will be able to identify, complete and integrate suitable acquisitions successfully. Acquiring new businesses can place significant strain on management, employees, systems and resources. The acquired businesses may not perform in line with expectations to justify the expense of acquisition. Furthermore, it may not prove possible to achieve the desired level of synergy benefits on integration of new businesses and/or the cost of achieving those benefits may exceed the expected cost.

Business development into new markets

To reduce our reliance on a relatively small number of markets over time, and to benefit from opportunities in some new markets, we will invest in business in new markets. Although these new businesses should comply with our standards and procedures, and they will benefit from best practices in other markets, there is no certainty that customers in these markets will be interested and prepared to acquire our services, and that we will manage to build a sustainable and profitable business in such markets. If we are unable to manage all of these risks efficiently, this may have an adverse effect on our business and financial situation.

Alternative sources for stem cells

It is possible to collect stem cells from other bodily sources than the umbilical cord blood or the umbilical cord tissue. In the event that it appears that such cells have the same or better therapeutic quality as stem cells collected from the umbilical cord blood or tissue and/or if it would be cheaper or otherwise more effective to collect, process, preserve or store such cells, we may be put at a competitive disadvantage and our business and/or financial position may be materially and adversely affected.

Operational risks

Acceptance of services

The commercial success of our services is dependent on market acceptance which depends in part on our ability to demonstrate their relative safety, quality, efficacy and ethical practices.

In addition, market acceptance may be affected by the success (or lack thereof) of research into, and the use of, stem cells for treating disease and hence the perceived benefits of stem cell storage. Similarly, changes in attitudes towards forms of treatment amongst clinicians or patients may adversely affect the commercial prospects and success of our services. Clinicians may be slow to change their medical treatment practices because of the perceived risk of liability arising from the use of new services. Any failure to gain market acceptance of our services could adversely affect the sales of our services and our ability to remain profitable.

Market perceptions and negative publicity

Our business is highly dependent upon market perceptions of us, our brands and the safety and quality of our services. Our business could be adversely affected if we or our brands are subject to negative publicity. We could also be adversely affected if any of our services or any similar services distributed by other companies prove to be, or are asserted to be, harmful to consumers.

Concentration risk

At present, the majority of our revenues are attributable to certain key markets. We intend to reduce our reliance on a relatively small number of markets over time but there can be no assurance that we will succeed in expanding existing markets or developing our business into new markets or in decreasing our reliance on these territories. Whilst we have acquired most of the distributors in those territories from which the majority of our revenues are derived, there can be no assurance that we will continue to have successful business relationships with our distributors or that existing customer levels in those territories will be sustained. As a consequence of the differential revenue we derive per unit stored, depending on the territory from which the customer derives, the effect of a drop in customer levels and our financial position and prospects will differ according to the affected territory or territories.

IT systems

Our data base application was developed at a time when our operations where significantly smaller than they are now. Although we feel that the data base application still meets the basic requirements, the functionality of the application and the underlying technical infrastructure is currently being strengthened in order to reduce integrity risks and improve security, and may in the future require further amendment and strengthening, which may require us to change the application or our operations significantly or incur increased costs which could have an adverse effect on our results of operations or financial condition.

Our ability to maintain financial controls and provide a high-quality service to clients depends, in part, on the efficient and uninterrupted operation of our management information systems, including our computer systems. Our computer systems may be vulnerable to damage or interruption from fire, telecommunications failure and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct. Any damage to or failure of the systems could result in interruptions to our financial controls and/or customer service. The Company has adequate back-up and recovery procedures in place to manage these risks.

Dependence on key personnel

Our success depends to a certain extent on the continued services of our core senior management team. If one or more of these individuals were unable or unwilling to continue in his or her present position, our business could be disrupted and we might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding and hiring such replacements could be costly and might require us to grant significant equity awards or other incentive compensation, which could adversely impact our financial results.

Compliance risks

Developments in regulatory laws

Our activities are highly regulated. We rely on regulatory expertise to ensure our operations, including our processing facilities and services meet regulatory requirements. New laws passed either at a national or European government level affecting our stem cell collection and storage business are being brought into force in Europe. Some European countries have had difficulties implementing these new laws, have missed implementation deadlines and/or are unlikely to meet future deadlines. This may cause difficulties and uncertainty for us, our partners and others who operate associated or similar businesses. Furthermore, the laws governing stem cell research are in development in many jurisdictions and may continue to develop further and regulation may increase. Other developments in regulatory laws may also have a material adverse effect on our financial position and/or business, which is partly based on private storage of stem cells and processing, preservation and storage of stem cells outside the country of collection being allowed under regulatory laws. Although we continue to monitor these changes in law, there can be no assurance that the services will continue to meet regulatory requirements, that regulatory licences and authorizations can be obtained or maintained in the future.

Litigation risks
Legal proceedings may arise in the course of our business. We cannot preclude the possibility of litigation being brought against us. Claimants may be able to devote substantially greater financial resources in relation to any litigation proceedings and we may not succeed in defending any claims brought against us. Any such litigation, whether or not determined in our favour or settled by us, could be costly and may divert the efforts and attention of our management and other personnel from normal business operations.

Ethical issues
Our operations concern stem cells obtained from the umbilical cord or cord blood, considered as adult stem cells. We are not engaged in any activity with embryonic stem cells. Public perception does not always make a clear distinction between adult and embryonic stem cells. There are significant ethical, legal and social implications of embryonic research and, should stem cell research become the subject of adverse commentary and publicity, this may adversely affect acceptance of, and the market for, our services.

Financial risks
Product liability and other operating risks insurance
Our activities expose us to potential liability and professional indemnity risks. We plan to continue to insure our operations in accordance with industry practice and plan to insure the risks we consider appropriate for our needs and for our circumstances. Insurance cover will not be available for every risk we face. Although we believe that we should carry adequate insurance with respect to our operations in accordance with industry practice, in certain circumstances our insurance may not cover or be adequate to cover the consequences of all such events. The occurrence of an event that is not covered or fully covered by insurance, such as loss of or damage to samples in relation to which we do not have insurance coverage, could have a material adverse effect on our business, financial condition and results of operations.

Taxation
Significant judgement is required in determining our provisions for tax liabilities, amongst others corporate income tax and value added tax (VAT). In the ordinary course of business, there are many transactions, where the ultimate tax determination is uncertain. Additionally, our calculation of the tax liabilities is based in part on our interpretations of applicable tax laws in the jurisdictions in which we operate. Although we believe our tax estimates are reasonable, there is no assurance that the final determination of our tax liabilities will not be materially different from what is reflected in our statement of income and related balance sheet accounts. Should additional taxes be assessed as a result of new legislation, tax litigation or an audit, if the tax treatment should change as a result of changes in tax laws, or if we were to change the locations in which we operate, there could be a material effect on our results of operation or financial condition.

We are supported by external tax advisers in assessing the legal opportunities and reviewing our compliance with tax law.

Accounting judgments and estimates
In relation to the preparation of our financial statements we make estimates and assumptions concerning the future in relation to, for example, the valuation of goodwill and intangible assets and deferred tax assets and liabilities. Although we believe that our accounting estimates and judgments are reasonable, there is no assurance that material adjustments to the carrying amounts of assets and liabilities in our future financial statements will not be required.

Credit risk
We offer services to our clients in certain countries with the possibility to pay the fees through instalments. The credit risks on these instalments have been and will continue to be borne by us. It is not impossible that these credit risks may increase in the future, which could have a material adverse effect on our business and/or financial results. We invoice our partners in some cases, in relation to the services we have provided over a period of time. We are therefore subject to a greater credit default risk.

Currency risk
Transaction risk to the Group is limited because the transactions of the foreign subsidiaries are denominated in their local currency, except for the intercompany recharge from Cryo-Save AG for processing and storage that is denominated in euro. Assets and liabilities and income and expenses of Group companies are translated to euro at foreign exchange rates prevailing at the balance sheet date and the dates of the transactions respectively. The Company does not hedge translation risks (such as the foreign exchange effect of translating operating results achieved outside the eurozone). We regard our positions in other countries (in this case outside the eurozone) as strategic and assume that, over the longer term, currency fluctuations will be neutral on balance.

Corporate governance

Introduction
Cryo-Save Group N.V. is a limited liability company *(naamloze vennootschap)* incorporated under Dutch law. The head office is IJsselkade 8, 7201 HB, Zutphen, the Netherlands. The telephone number of the principal place of business is +31 575 509 100. The statutory seat is at Zutphen, the Netherlands. The Company is registered with the Chamber of Commerce of East-Netherlands under number 27187482.

The Company was incorporated in the Netherlands on 8 March 2000, by a notarial deed of incorporation as a private company with limited liability with the name of Coltec B.V. On 29 August 2000, the name was changed to Cryo-Cell Europe B.V. Subsequently, Cryo-Cell Europe B.V. was converted to a public company with limited liability. To that effect, the articles of association were amended and restated in their entirety by a notarial deed dated 18 May 2001. On 25 September 2003 the name was changed to Life-Sciences Group N.V. On 16 May 2007 the name was changed to Cryo-Save Group N.V.

The articles of association were amended most recently by deed of amendment executed on 12 October 2009.

Since its listing in November 2007, the Company has pursued a consistent policy to enhance and improve its compliance with London Stock Exchange rules, and since its NYSE Euronext Amsterdam listing in October 2009 with the Amsterdam Stock Exchange rules. Following the Euronext Amsterdam listing, the Company also has to comply with Dutch Corporate Governance rules.

The Company fully complies with the Corporate Governance Code, meaning that the 'apply or explain' principle is adhered to.

Dutch Corporate Governance Code
On 9 December 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, released the Dutch Corporate Governance Code. The Dutch Monitoring Committee Corporate Governance, also know as the Frijns Committee, presented an amended version of the Dutch Corporate Governance Code, which entered into force on 1 January 2009.

The Dutch Corporate Governance Code contains principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.

Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere, are required to disclose in their annual reports whether or not they apply the provisions of the Dutch Corporate Governance Code that are addressed to their management board or supervisory board and, if they do not apply, to explain the reasons why. The Dutch Corporate Governance Code provides that if a company's general meeting of shareholders explicitly approves the corporate governance structure and policy and endorses the explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Dutch Corporate Governance Code.

Cryo-Save applies all of the relevant provisions of the Dutch Corporate Governance Code with the following deviations which, together with the reasons for those deviations, are set out below. Although the deviations are disclosed below, we shall not ask the General Meeting to explicitly approve such deviations. We note that we operate under a one-tier board structure, with a Board of Directors consisting of Executive and Non-Executive Directors, whereas the Dutch Corporate Governance Code and the principles and best practice provisions it entails take a two-tier board structure consisting of a board of managing directors and a board of supervisory directors as a starting point. For the purpose of our compliance with the Dutch Corporate Governance Code and also in view of section III.8 thereof, the Executive Directors are deemed to perform the tasks and duties of the board of managing directors whilst the Non-Executive Directors will perform the tasks and duties of the board of supervisory directors.

- The Company currently does not comply with best practice provision II.1.1 which prescribes that an Executive Director is appointed for a maximum of four years. The current Executive Directors have been appointed for an indefinite period on the basis of service contracts that are entered into for an indefinite period of time as well, and we do not consider it appropriate to renegotiate the existing agreements, in so far as this would be possible given the mandatory provisions of Dutch labour law. For the same reason the Company currently does not comply with best practice provision II.2.10 and II.2.11, which prescribes that the Non-Execute Directors should have the right, on the basis of a claw-back provision included in the service contracts with Executive Directors, to recover from an Executive Director any variable remuneration awarded on the basis of incorrect financial or other data. It is the Company's intention to comply with these provisions in relation to future appointments of Executive Directors.

- Cryo-Save has adopted an internal risk management and control system in accordance with best practice provision II.1.3. In addition to an internal risk management and control system this best practice provision requires to adopt a code of conduct, which is not yet prepared but the Company intends to do so in due course. After adoption of the code it will be published on the Company's website (www.cryo-savegroup.com).
- Best practice provision III.3.3 requires the Non-Executive Directors to follow an induction program. The current Non-Executive Directors have not followed such programme and it is considered that an induction programme would not be useful for them as they have a good understanding of the Company and its business. An induction program for our future Non-Executive Directors will be organized, which program will be tailored to each newly appointed Non-Executive Director.
- The Company has adopted a securities dealing code that applies to dealings in its shares. The Company does not comply with best practice III.6.5 which requires to adopt such a securities dealing code that applies to shares other than our shares.
- The Company does not comply with best practice provision III.8.1, which prescribes that the Chairman of the Board of Directors may not be or have been an Executive Director. Our current Chairman of the Board of Directors Mr. Goossens has been an Executive Director for a very short period only. We believe that Mr. Goossens' extensive experience with and knowledge of the business justifies his chairing the Board of Directors, however.
- Best practice provision IV.1.1 states that the general meeting of shareholders of a company not having statutory two-tier status may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting. The Company does not fully apply this provision as (i) the quorum requirement in its Articles of Association is half of the issued capital instead of one third and (ii) a new meeting may not be convened. Given the relatively low attendance rate at our General Meetings, the Company believes that this is appropriate.
- Presently the Company does not have the provisions for shareholders to follow meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences in real time. As such best practice provision IV.3.1 is not applied. The Company will investigate the possibilities of creating such a facility.
- The Company has not yet formulated a policy as regards to bilateral contacts with shareholders as required by best practice provision IV.3.13. The Company will assess the need for such a policy in the following year and dependent on the outcome of such an assessment, may formulate a policy.

Quoted Companies Alliance's Corporate Governance Guidelines for AIM Companies

The Company's AIM Quotation does not subject the Company to the UK Combined Code on Corporate Governance, the UK equivalent of the Dutch Corporate Governance Code. However, as long as the AIM Quotation is maintained and to the extent such compliance does not conflict with the application of the Dutch Corporate Governance Code and to the extent practicable, the Company intends to comply with the Quoted Companies Alliance's Corporate Governance Guidelines for AIM Companies.

The Quoted Companies Alliance's Corporate Governance Guidelines for AIM Companies state that 'the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term' and set out a code of best practice for AIM companies. These guidelines state, among other things, that:

- certain matters be specifically reserved for the board's decision;
- the board should be supplied with information (including regular management financial information) in a form, and of a quality, appropriate to enable it to discharge its duties;
- the board should, at least annually, conduct a review of the effectiveness of the group's system of internal controls and should report to shareholders that they have done so;
- the roles of chairman and chief executive should not be exercised by the same individual or there should be a clear explanation of how other board procedures provide protection against the risks of concentration of power within the company;
- a company should have at least two independent Non-Executive Directors and the board should not be dominated by one person or group of people;
- all directors should be submitted for re-election at regular intervals subject to continued satisfactory performance;
- the board should establish audit, remuneration and nomination committees; and
- there should be a dialogue with shareholders based on a mutual understanding of objectives.

General Meeting and voting rights

Besides the mandatory Annual General Meeting, General Meetings shall be held as frequently as the Board of Directors or any Director may wish. The power to call the General Meeting shall vest in the Board of Directors and in each Director individually. In addition the Board of Directors must call a General Meeting if one or several shareholders and/or holders of depositary receipts jointly representing at least one tenth of the issued capital so request the Board of Directors, such request to specify the subjects to be discussed and voted upon. If the General Meeting is not held within six weeks after the request was made, the applicants themselves may call the General Meeting, with due observance of the applicable provisions of the law and the Articles of Association.

The term of notice for a General Meeting must be at least as many days as determined by law before the date on which the meeting is held. Dutch law currently prescribes that notice must be given no later than the fifteenth day prior to the meeting. Notice of a General Meeting shall be given by a publication made public by electronical means which publication will be directly and permanent accessible until the General Meeting. In addition, as long as this is a mandatory requirement by law, notice of a General Meeting shall be given by means of an advertisement which shall be placed in at least one Dutch national newspaper.

Holders of shares (including holders of the rights conferred by law upon holders of depositary receipts issued for shares) who individually or jointly represent at least 1% of the issued capital – or any higher percentage as may be determined by Dutch law from time to time, or hold shares or depositary receipts representing a value of at least €50 million, have the right to make a substantiated request to the Board of Directors to put items on the agenda or to propose a decision provided that the proposal to put items on the agenda or the proposed decision, as applicable, has been put forward in writing not later than 60 days before the day of the General Meeting.

Each share carries the right to cast one vote. At the General Meeting no votes can be cast for shares which are hold in treasury. For the purpose of determining to which extent shareholders cast votes, are present or are represented, or to which extent the share capital is represented, the shares in respect of which no votes can be cast shall not be taken into account.

Unless the law or our Articles of Association stipulate a larger majority, all resolutions of the General Meeting shall be passed by an absolute majority of the votes cast.

Matters requiring a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital include:

- a resolution to appoint, dismiss or suspend a Director other than in accordance with a proposal of the Board of Directors;
- a resolution to amend the Articles of Association other than in accordance with a proposal of the Board of Directors; and
- a resolution to have the Company merge or demerge other than in accordance with a proposal of the Board of Directors.

Matters requiring a majority of at least two-thirds of the votes cast, if less than 50% of the issued share capital is represented include:

- a resolution regarding restricting and excluding pre-emptive rights, or decisions to designate the authority to exclude or restrict pre-emptive rights to the Board of Directors; and
- a resolution to reduce the outstanding share capital.

Amendment of Articles of Association, merger and demerger

A resolution to amend the Articles of Association or a resolution for a merger or demerger may be passed by the General Meeting only pursuant to a proposal of the Board of Directors, except if the resolution is taken with a majority of two-thirds of the votes representing more than half of the issued share capital in which case no proposal of the Board of Directors is required.

Management structure

Cryo-Save has a one-tier board structure, consisting of Executive and Non-Executive Directors. All Executive and Non-Executive Directors frequently visited the Board meetings.

At least once a year the Executive and Non-Executive Directors review and discuss: the strategy; the strategic, operational, compliance and financial risks; the internal control framework and the adequacy of the internal controls.

The Non-Executive Directors are independent from the Company, except for Mr. Goossens who holds around 17% of the shares of the Company. Adequate procedures are in place that Mr. Goossens acts in the interest of the Group, and comply with good governance.

Board of Directors

Powers, composition and function

The Board of Directors as a whole manages the Group's business and affairs. Within the Board of Directors, the Executive Directors are responsible for the day-to-day

operations, whilst the Non-Executive Directors supervise the policies pursued by the Executive Directors. Pursuant to the Articles of Association the Board of Directors must consist of at least one Executive and two Non-Executive Directors. The number of Executive and Non-Executive Directors shall be determined by the Board of Directors. At present the Board of Directors consists of two Executive Directors and two Non-Executive Directors, and has one vacancy for a Non-Executive Director. The Board of Directors may give Executive Directors the title Chief Executive Officer and/or Chief Financial Officer, and may give one of the Non-Executive Directors the title Chairman of the Board of Directors. The Board of Directors as a whole and each of the Executive Directors acting individually, is entitled to represent the Company.

The Board of Directors is entitled to perform all acts necessary for achieving the corporate objects except those prohibited by applicable laws and regulations or by the Articles of Association.

Pursuant to the Articles of Association, the members of the Board of Directors are appointed by the General Meeting from a nomination prepared by the Board of Directors for a maximum period of four years. This maximum term does not apply to our current Executive Directors, who were appointed before the provision limiting the term of appointment to four years having been included in the Articles of Association. An appointment by the General Meeting of a Director without a nomination by the Board of Directors requires an absolute majority of the votes representing more than half of the issued capital.

The General Meeting may at all times suspend or dismiss a Director. In addition, the Board of Directors may at all time suspend a Director. A resolution of the General Meeting to suspend or to dismiss a Director, other than in accordance with a proposal of the Board of Directors, shall require an absolute majority of the votes cast representing more than half of the issued share capital. A Director's suspension shall terminate if within three months after the effective date of his suspension the General Meeting has not passed a resolution to remove him from office or to lift or to extend the suspension. The period of extension of a Director's suspension may not exceed three months from the date on which the resolution to extend the suspension was passed.

The prior approval of the General Meeting is required for resolutions of the Board of Directors on a major change of the identity or the character of the Company or the enterprise, including in any case:

- transfer of the enterprise or almost the entire enterprise to a third party;
- conclusion or severance of permanent cooperation of the Company or a subsidiary with another legal entity or company either as a fully liable partner in a general partnership, in case said cooperation or severance will be of far-reaching importance to the Company; and
- taking or disposing of a participation in the capital of a company worth at least one third of the amount of the assets in accordance with the balance sheet with explanatory memorandum or, in case the Company will draw up a consolidated balance sheet, in accordance with the consolidated balance sheet with explanatory memorandum in accordance with the latest adopted annual accounts.

The Board of Directors may adopt board regulations. The current board regulations are published on the Group's website (www.cryo-savegroup.com).

Non-Executive Directors

The Non-Executive Directors supervise the policies pursued by the Executive Directors. Strategic decisions are always discussed by the Executive Directors with the Non-Executive Directors. The main strategic issues discussed in depth and frequently with the Non-Executive Directors in 2009 were potential acquisitions, new partnerships, expansion into new geographic areas, material contracts with diagnostic centres or private clinics, the listing on the NYSE Euronext Amsterdam Stock Exchange and the performance of senior management. The strategy, as set out in the Chief Executive's review, has been defined in 2007, was reviewed in 2009 and remained unchanged. Clearly the Non-Executive Directors support the several strategic objectives the Company has defined.

Board of Directors' committees

Although the Company is not required to do so under the Dutch Corporate Governance given the current number of Non-Executive Directors, the Board of Directors has appointed from amongst its Non-Executive Directors an Audit Committee and a Selection, Appointment and Remuneration Committee.

Audit Committee

The Audit Committee is chaired by Mr. Van Pottelberge and meets at least twice a year and as otherwise required by the Chairman of the Audit Committee. The Audit Committee is responsible for ensuring that the financial performance is properly monitored, controlled and reported. It also meets the auditors at least once a year, reviews their findings and discusses any accounting and audit judgments. The duties of this permanent committee are defined by the charter of the Audit Committee, which is published on our website. With the resignation of Mr. Spinner in January 2010 there is a temporary vacancy for a second Non-Executive Director.

The Audit Committee concluded in 2009 that no internal audit department is required given the small size of the Group. However, senior staff from head office frequently visits the subsidiaries and checks compliance with Group policies and standards. Furthermore, internal audits were performed by senior management on compliance with local law and regulations for our accredited entities.

Selection, Appointment and Remuneration Committee

The Selection, Appointment and Remuneration Committee consists of the three Non-Executive Directors and is chaired by Mr. Van Pottelberge. Currently one position is temporarily vacant due to the resignation of Mr. Spinner in January 2010. The Selection, Appointment and Remuneration Committee is responsible for the implementation of the Executive Directors' remuneration policy and its costs. Within the framework of the remuneration policy determined by the General Meeting, the Selection, Appointment and Remuneration Committee determines the base salary, performance related remuneration and share options, as well as any other benefits for the Executive Directors. The duties of this permanent committee are defined by the charter of the Selection, Appointment and Remuneration Committee, which is published on our website (www.cryo-savegroup.com).

Auditors

In the Annual General Meeting of Shareholders of 11 June 2008, the auditors of the Company, KPMG Accountants N.V., have been appointed for a period of three years from that date.

The auditor will be present at the General Meeting of Shareholders and may be questioned with regard to his statement on the fairness of the financial statements.

The auditor attends at least once a year a meeting of the Audit Committee at which the financial statements are approved.

Internal controls

Internal controls are in place to mitigate financial risks as well as operational risks. These internal controls are captured in an Internal Control Framework ('ICF'), based upon the COSO framework, identifying potential risks and appropriate internal procedures to mitigate these risks. The ICF is applicable to all operating companies. Implementation and maintenance is the responsibility of the Executive Directors, compliance is supervised by the Audit Committee.

In 2008 the Company acquired several entities changing the profile of the Group dramatically from a centralized processing and storage operation with business partners selling the services, to a small multinational with several processing and storage facilities and subsidiaries selling the services on three continents. During 2008 and 2009 the Company further developed risk management and control systems aligned to its business activities. Also in 2010 the risk management and control systems will be further improved.

Investor relations

Cryo-Save publishes annual and semi-annual press releases and reports, and a business update on the first and third quarter. In addition to communication with its shareholders at the Annual General Meeting of Shareholders, the Company elaborates its financial results in analyst and investor meetings and presentations. Presentations shared during these meetings are made available to all investors via the website. The Company strictly complies with applicable rules and regulations on fair and non-selective disclosure and equal treatment of shareholders.

Social entrepreneurship

The most critical issues of social entrepreneurship are safety, reliability, trust and compliance with European and local laws and regulations. To comply with these social conditions, the Group has strict procedures and policies in place, which has to be adhered to. Compliance is monitored internally by internal audits, according to the policies as set out by the regulatory bodies. Also these regulatory bodies frequently visits the offices for an audit.

Strategy

The Group listed in 2007 on the London Stock Exchange to raise funds to achieve its strategic objectives. Among others the companies acquired in 2008 were financed with own funds. Subsequently, the Belgium property has been partly refinanced with a sale and lease back agreement. The Group has no debts. It is the Group's current policy to preferably finance growth with cash from operating activities and where necessary with equity.

Related party transaction

The Group complied with best practice provisions II.3.2, II.3.4, III.6.1 and III.6.3. There were no material related party transactions between the Group and its Executive and Non-Executive Directors.

The Group complied with best practice provision III.6.4, and confirms that there were no material transactions between the Group and any shareholders holding at least 10% of the issued shares.

Statement by the Executive Directors

The Executive Directors of Cryo-Save Group N.V. ('the Company') are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code. The financial statements consist of the consolidated financial statements and the Company's financial statements. The responsibility of the Executive Directors includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Executive Directors are also responsible for the preparation of the Report of the Board of Directors that is included in this 2009 Annual Report. The Annual Report is prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. In the Annual Report the Executive Directors endeavour to present a fair review of the situation of the business at balance sheet date and of the state of affairs in the year under review. Such an overview contains a selection of some of the main developments in the financial year and can never be exhaustive.

The Company has identified the main risks it faces, including financial reporting risks. These risks can be found in the paragraph Risk management. In line with the Dutch Corporate Governance Code and the Dutch Financial Supervision Act, the Company has not provided an exhaustive list of all possible risks. Furthermore, developments that are currently unknown to the Executive Directors or considered to be unlikely may change the future risk profile. As explained in the paragraph Risk management, the Company must have internal risk management and control systems that are suitable for the Company. The design of the Company's internal risk management and control systems has been described in the paragraph Risk Management. The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives and the risk of material errors to the financial reporting. Accordingly, these systems can only provide reasonable, but not absolute assurance against material losses or material errors.

In 2008 the Company acquired several entities changing the profile of the Group dramatically from a centralized processing and storage operation with business partners selling the services, to a small multinational with several processing and storage facilities and subsidiaries selling the services on three continents. During 2008 and 2009 the Company further developed risk management and control systems aligned to its business activities. Also in 2010 the risk management and control systems will be further improved.

As required by provision II.1.5 of the 2008 Dutch Corporate Governance Code and section 5:25c(2)(c) of the Dutch Financial Supervision Act and on the basis of the foregoing and the explanations contained in the paragraph Risk management, the Executive Directors confirm that to its best of knowledge and belief, and with due consideration of the above:

- the Company's internal risk management and control systems as regards financial reporting risks provide a reasonable assurance that the Group's financial reporting does not contain any errors of material importance;
- the Company's risk management and control systems as regards financial reporting risks are considered effective;
- the financial statements give a true and fair view of the assets, liabilities, financial position, and result of the Company and the entities included in the consolidation;
- the 2009 Annual Report includes a fair review of the situation at the balance sheet date, the developments during the financial year of the Company, and entities included in the consolidation, together with a description of the principal risks that the Company faces.

Marc Waeterschoot, Chief Executive Officer
Arnoud van Tulder, Chief Financial Officer
19 March 2010

Contents

Consolidated statement of income

in thousands of euros

	Notes	2009	2008
Revenue	9	**38,391**	29,485
Cost of sales	10	**(11,168)**	(9,278)
Gross profit		**27,223**	20,207
Marketing and sales expenses	11		
– Other marketing and sales expenses		**10,147**	7,817
– Non-recurring restructuring expenses		**421**	–
Research and development expenses	12	**403**	97
General and administrative expenses	13		
– Other general and administrative expenses		**11,945**	9,986
– Non-recurring write-down on equity accounted investees		**1,027**	–
– Non-recurring listing expenses		**952**	–
Total operating expenses		**24,895**	17,900
Operating profit		**2,328**	2,307
Finance income	16	**118**	988
Finance costs	17	**(663)**	(434)
Net finance (costs)/income		**(545)**	554
Results relating to equity-accounted investees		**0**	0
Profit before taxation		**1,783**	2,861
Income tax expense	18	**431**	293
Profit for the year		**1,352**	2,568
Attributable to:			
– Equity holders of the Company		**1,352**	2,568
– Non-controlling interest		**–**	–
Profit for the year		**1,352**	2,568
Earnings per share (in euro cents)	19		
– Basic earnings per share (in euro cents)[1]		**14.6**	27.3
– Diluted earnings per share (in euro cents)[1]		**14.6**	27.3

[1] The comparative figures have been restated for the 5:1 share consolidation. See note 30 for more information.

Consolidated statement of comprehensive income

in thousands of euros

	Notes	2009	2008
Profit for the year		**1,352**	2,568
Other comprehensive income			
Foreign currency translation differences		**(235)**	(428)
Other comprehensive income for the year		**(235)**	(428)
Total comprehensive income for the year		**1,117**	2,140
Attributable to:			
– Equity holders of the Company		**1,117**	2,140
– Non-controlling interest		**–**	–
Total comprehensive income for the year		**1,117**	2,140

Consolidated statement of financial position

in thousands of euros
at 31 December 2009

	Notes	2009	2008
Assets			
Intangible assets	20	**35,366**	37,438
Property, plant and equipment	21	**13,964**	10,421
Investments in equity accounted investees	23	**0**	0
Deferred tax assets	24	**1,121**	640
Trade and other receivables	25	**1,054**	1,304
Total non-current assets		**51,505**	49,803
Inventories	26	**251**	287
Trade and other receivables	27	**8,907**	8,156
Current tax assets	28	**687**	1,205
Cash and cash equivalents	29	**7,485**	4,697
Total current assets		**17,330**	14,345
Total assets		**68,835**	64,148
Equity	30		
Issued share capital		**964**	964
Share premium reserve		**38,178**	38,178
Legal reserve		**134**	108
Revaluation reserve		**669**	769
Translation reserve		**(683)**	(448)
Treasury shares		**(3,664)**	(3,497)
Retained earnings		**8,209**	6,979
Equity attributable to equity holders of the Company		**43,807**	43,053
Non-controlling interest		**–**	–
Total equity		**43,807**	43,053
Liabilities			
Borrowings	31	**3,795**	111
Deferred revenue	32	**6,090**	4,885
Deferred considerations	33	**2,080**	5,777
Deferred tax liabilities	24	**2,656**	2,827
Other liabilities		**84**	53
Total non-current liabilities		**14,705**	13,653
Borrowings	31	**180**	38
Trade and other payables	34	**6,533**	4,193
Deferred revenue	32	**471**	389
Deferred considerations	33	**1,264**	859
Current tax liabilities	35	**1,875**	1,963
Total current liabilities		**10,323**	7,442
Total liabilities		**25,028**	21,095
Total equity and liabilities		**68,835**	64,148

Consolidated statement of changes in equity

in thousands of euros

	Issued share capital	Share premium reserve	Legal reserve	Revaluation reserve	Translation reserve	Treasury shares	Retained earnings	Total equity
At 1 January 2008	964	38,178	58	–	(20)	(435)	4,176	42,921
Exchange differences on translating foreign operations					(428)			(428)
Other comprehensive income					(428)			(428)
Profit for the year							2,568	2,568
Comprehensive income for the year					(428)		2,568	2,140
Share-based payments							211	211
Repurchased shares						(3,062)		(3,062)
Acquisitions				843				843
Utilization of revaluation reserve				(74)			74	0
Other movements			50				(50)	0
At 31 December 2008	964	38,178	108	769	(448)	(3,497)	6,979	43,053
Exchange differences on translating foreign operations					**(235)**			**(235)**
Other comprehensive income					**(235)**			**(235)**
Profit for the year							**1,352**	**1,352**
Comprehensive income for the year					**(235)**		**1,352**	**1,117**
Dividend distributed							**(462)**	**(462)**
Share-based payments							**266**	**266**
Repurchased shares						**(167)**		**(167)**
Utilization of revaluation reserve				**(100)**			**100**	**0**
Other movements			**26**				**(26)**	**0**
At 31 December 2009	**964**	**38,178**	**134**	**669**	**(683)**	**(3,664)**	**8,209**	**43,807**

Consolidated statement of cash flows

in thousands of euros

	Notes	2009	2008
Cash flows from operating activities			
Profit for the year		**1,352**	2,568
Adjustments for:			
Income tax expense	18	**431**	293
Finance costs	17	**663**	434
Finance income	16	**(118)**	(988)
Gain on sale of disposals		**(16)**	(27)
Depreciation and amortization	15	**2,319**	1,644
Equity settled share-based payments transactions		**266**	211
		4,897	4,135
Organic movements in working capital			
(Increase)/decrease in (non) current trade and other receivables		**(501)**	(1,105)
(Increase)/decrease in inventories		**36**	(67)
(Increase)/decrease in (non) current tax assets		**222**	(1,024)
Increase/(decrease) in (non) current liabilities		**2,263**	227
Increase/(decrease) in (non) current tax liabilities		**(213)**	(290)
Net cash from operations		**6,704**	1,876
Interest paid		**(370)**	(192)
Interest received		**118**	980
Income taxes paid		**(1,671)**	(628)
Net cash from operating activities		**4,781**	2,036
Cash flows from investing activities			
Net acquisition spending	7	**(428)**	(24,445)
Purchase of property, plant and equipment	21	**(4,644)**	(9,006)
Purchase of intangible assets	20	**(217)**	(400)
Disposals of non-current assets		**118**	123
Net cash (used in)/generated by investing activities		**(5,171)**	(33,728)
Cash flows from financing activities			
Repurchase of own shares	51	**(167)**	(3,062)
Dividend distributed	51	**(462)**	–
Redemption of borrowings		**(474)**	(15)
Proceeds from borrowings		**4,300**	15
Net cash generated by/(used in) financing activities		**3,197**	(3,062)
Net increase/(decrease) in cash and cash equivalents		**2,807**	(34,754)
Cash and cash equivalents at 1 January		**4,697**	39,465
Exchange differences on cash and cash equivalents		**(19)**	(14)
Cash and cash equivalents at 31 December	29	**7,485**	4,697

1 Reporting entity

Cryo-Save Group N.V. ('the Company' or 'the Group') is a limited liability company domiciled in The Netherlands. The address of its registered office and principal place of business is IJsselkade 8, 7201 HB Zutphen, The Netherlands.

The Group's principal activity is the collection, processing and storage of human adult stem cells collected from the umbilical cord blood, and the umbilical cord itself, at birth.

2 Basis of preparation

a. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) prevailing per 31 December 2009, as adopted by the International Accounting Standards Board (IASB) and as endorsed for use in the European Union by the European Commission as at 31 December 2009.

The consolidated financial statements were authorized for issue by the Board of Directors on 19 March 2010. The financial statements as presented in this report are subject to adoption by the Annual General Meeting of Shareholders, to be held on 19 May 2010.

Certain comparative amounts have been disclosed in further detail to conform with current's year presentation. This includes the detailed breakdown of (non)-current liabilities.

b. Statement of measurement

The consolidated financial statements have been prepared on historical cost basis, unless stated otherwise in the accounting policies.

c. Functional and presentation currency

These consolidated financial statements are presented in Euro ('€'), which is the Company's functional currency. The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). All financial information presented in euro has been rounded to the nearest thousand.

d. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The critical accounting estimates and judgments in preparing the consolidated financial statements are explained in note 4. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

e. Change in accounting estimates and accounting policies

Change in accounting estimates

In 2009 the Group did not change any accounting estimate.

Change in accounting policies

Starting 1 January 2009, the Group has changed its accounting policies in the presentation of financial statements. The Group applies revised IAS 1, Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas non-equity holder changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these financial statements as of and for the year ended on 31 December 2009. Comparative information has been re-presented in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

3 Significant accounting policies

The accounting policies detailed below have been applied consistently to all periods presented in these consolidated financial statements, and by all subsidiaries.

Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries and the Group's interest in equity accounted investees and jointly controlled entities. All intragroup balances and transactions are eliminated.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at their acquisition date. The excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

3 Significant accounting policies continued

Equity accounted investees

Equity accounted investees are all entities over which the Group has significant influence but not control over the financial and operating policies, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in equity accounted investees are accounted for using the equity method of accounting and are initially recognized at cost.

The Group's investment in equity accounted investees includes goodwill identified on acquisition net of any accumulated impairment losses. Equity accounted investees are recognized from the date on which the Group has significant influence, and recognition ceases from the date the Group has no significant influence over an equity accounted investee. The Group's share of its equity accounted investees post acquisition profits or loss is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses in an equity accounted investees equals or exceeds its interest in the equity accounted investees, including any other long-term interests, the Group discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the equity accounted investees. Unrealized gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in the equity accounted investees. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling-interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination, and the non-controlling interests' share of changes in equity, since the date of the combination. Losses applicable to the minority in excess of the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group only to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Foreign currencies

Foreign currency transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded, on initial recognition at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange differences, arising on the settlement of monetary items and on the re-translation of monetary items, are recognized in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

The following exchange rates against the euro have been used in these financial statements:

	Statement of financial position 31 December 2009	Statement of income 2009
Hungarian forint	270.00	276.83
Czech koruna	26.45	26.84
Indian rupees	66.70	66.55
Swiss franc	1.49	1.49
South African rand	10.62	11.95

Financial statements of Group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Euro's using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's currency translation reserve. Such exchange differences are recycled through profit or loss in the period in which the foreign operation is disposed of.

Net investment in foreign operations

Net investment in foreign operations includes equity financing and long-term intercompany loans for which settlement is neither planned nor likely to occur in the foreseeable future. Exchange rate differences arising from the translation of the net investment in foreign operations are taken to the currency translation reserve in shareholders' equity directly.

When a foreign operation is disposed of, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on disposal.

3 Significant accounting policies continued

Business combinations

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events (earn outs or deferred acquisition payments), the Group includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Initially the fair values are determined provisionally, and will then be subject to change based on the outcome of the purchase price allocation which takes place within 12 months from the acquisition date.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets and liabilities of the acquired subsidiary, equity accounted investees or joint venture at the date of acquisition. Goodwill recognized for acquisitions represents the consideration made by the Group in anticipation of the future economic benefits from assets that are not capable of being individually identified and separately recognized. These future economic benefits relate to, for example, opportunities with regard to cost efficiencies such as sharing of infrastructure.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of equity accounted investees is included in investments in equity accounted investees. Such goodwill is carried at cost less any accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is sold.

Goodwill acquired in a business combination is not amortized. Instead, the goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Goodwill is allocated to the cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Identified intangible assets

Identified intangible assets on investments in group companies, such as customer relationship, brand name, contracts with insurers and distributors and order backlog are initially valued against fair value. Subsequent to initial recognition these assets are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization of identified intangible assets is charged to the income statement, over their estimated useful life, using the straight-line method on the following bases:

Brand name	20 years
Customer relationship	3-7 years
Contracts with insurers and distributors	3-9 years
Order backlog	1 month

Internally generated intangible assets

Internally generated intangible assets relate to the development costs of new products and the website, and represents the sum of expenditures incurred from the date when the intangible asset first meets the recognition criteria under IFRS. These expenditures comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These costs are mainly costs of materials and services used or consumed in generating the intangible asset, and costs of employee benefits arising from the generation of the intangible asset.

Internally generated intangible assets are stated at cost less accumulated amortization and any impairment losses. The amortization method applied is the straight-line method. Amortization begins when the assets are available for use. The estimated useful life of internally generated intangible assets is three years.

An intangible asset arising from development or from the development phase of an internal project is recognized only if the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale and comply with the following other requirements: the intention to complete the development project; the ability to sell or use the product; demonstration of how the product will yield probable future economic benefits; the availability of adequate technical, financial, and other resources to complete the project; and the ability to reliably measure the expenditure attributable to the project.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

No intangible asset from research or from the research phase of an internal project is recognized. Expenditure on research or the research phase of an internal project is recognized as an expense when incurred.

3 Significant accounting policies continued

Other intangible assets

This includes items such as software and software licenses. Amortization is recognized as a cost and calculated on a straight-line basis over the asset's expected useful life. The amortization period is three years.

Property, plant and equipment

Property, plant and equipment, consisting of land and buildings, lab equipment, and other assets such as computer and office equipment and vehicles, is valued at cost less accumulated depreciation and any impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation of property, plant and equipment is charged to the income statement, over their estimated useful life, using the straight-line method on the following bases:

Buildings	30 years
Office equipment	10 years
Laboratory equipment related to storage	10 years
Laboratory equipment	5 years
Vehicles	5 years
Computer equipment	3 years

Land is not depreciated.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Impairment of non-current assets

At each balance sheet date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

An impairment loss in respect of goodwill is not reversed.

Leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3 Significant accounting policies continued

Financial assets

Investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets at fair value through profit or loss, which are initially measured at fair value.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Such assets are recognized initially at fair value plus directly attributable transaction costs. Loans and receivables are measured at amortized cost using the effective interest method less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Trade and other receivables are initially carried at their fair value and subsequently measured at cost less any impairment. The impairment is based on both collective and individual basis.

Trade and other receivables which are not expected to be realized within 12 months after the balance sheet date are classified as non-current assets.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for debt instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized as a gain in the statement of income. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Inventories

Inventories are assets in the form of materials or supplies to be consumed in the collection and extraction process or in the rendering of services. Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Deferred revenue

Deferred revenue represents the part of the amount invoiced to customers that has not yet met the criteria for revenue recognition and thus still has to be earned as revenues, by means of delivery of services in the future. Deferred revenue is recognized at its present value. Deferred revenue that relates to services which are not expected to be rendered within 12 months after the balance sheet date are classified as non-current liabilities.

Trade and other payables

Trade and other payables are stated at cost.

3 Significant accounting policies continued

Taxation

Income tax expense represents the sum of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Obligations for possible income tax exposures are treated as current tax liabilities.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and equity accounted investees, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Borrowings

Borrowings are recognized initially at fair value less transaction costs, if material. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Financial lease liabilities are recorded under borrowings.

Long-term debts payable within one year are classified as current liabilities.

Deferred considerations

Deferred considerations are based on contracts between Cryo-Save Group N.V. and the former shareholders of the acquired entity, and valued at the net present value using the discounted cash flow method. The unwinding of the discount is recognized in profit or loss as interest expense. Differences between the estimated and actual deferred considerations are recognized in goodwill.

Shareholders' equity

When share capital recognized as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity.

Dividends are recognized as a liability upon being declared.

3 Significant accounting policies continued

Non-controlling interest
Non-controlling interest is the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group.

Defined contribution plans
The pension contribution of defined contribution plans is recognized as an expense in the income statement as it is incurred. The Group has no defined benefit pension plans.

Revenue
Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for deferred income, rebates and other similar allowances.

Revenue stem cell storage
Revenue in respect of fees charged for stem cell extraction is recognized on the day of extraction. Revenue earned in respect of stem cell storage is recognized evenly over the storage period, over which time an appropriate margin is also recognized.

Revenue other
Other revenue relate to income from other types of products and services than the extraction and storage of stem cells. Revenue from services rendered is recognized in the statement of income in proportion to the percentage of completion of the transaction at reporting date.

Government grants
Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with the conditions attached to them. Government grants related to income are deducted in reporting the related expense. Government grants related to an asset, are presented in the balance sheet by setting up the grant as deferred income, and are released to the income statement over the expected useful life of the relevant asset by equal annual installments.

Cost of sales
Cost of sales comprises the directly attributable costs of goods and services sold and delivered. These costs include such items as the cost of collection of the cord blood, service fees to business partners and laboratory materials.

Marketing and sales expenses
Marketing and sales expenses include all costs that are directly attributable to marketing and sales activities. Examples of directly attributable costs are costs of employee benefits and costs of materials and services used or consumed.

Research and development expenses
Research and development expenses, the latter as far as not capitalized, include all costs that are directly attributable to research and development activities for new products. Directly attributable costs are for example costs of employee benefits, costs of materials and services used or consumed in generating the new product.

Expense on research or the research phase of an internal project is recognized as an expense when incurred.

General and administrative expenses
General and administrative expenses include costs which are neither directly attributable to Cost of sales nor to Marketing and sales and Research and development expenses.

Share-based payments
The Group's share option scheme qualifies as an equity settled share-based payment. The fair value of share options awarded is recognized as an expense with a corresponding increase in equity. The fair value is measured at the grant date and spread equally over the period during which the employees become unconditionally entitled to the shares. The fair value of the share options is measured using a binomial option valuation model, taking into account the terms and conditions upon which the share options were awarded. The amount recognized as an expense is adjusted to reflect the actual forfeitures due to participants' resignation before the vesting date.

Finance income and costs
Finance income and costs comprise interest receivable on deposits, interest receivable on funds invested calculated using the effective interest rate method, foreign exchange gains and losses, unwinding of the discount of deferred considerations and bank costs.

Dividend revenue from investments is recognized when the Shareholder's right to receive payment has been established.

Earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to the equity holders of the Company by the weighted average number of shares outstanding during the period, excluding the temporarily repurchased shares used to cover option plans. Diluted earnings per share is calculated using the weighted average number of shares and options outstanding during the period, as far as the exercise price of these options is lower than the share price.

3 Significant accounting policies continued

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete information is available.

The Company is operated on a service oriented basis and considers those areas with economic and operating similarities to be the operating segments. Management reporting systems, legal structures and consolidation are largely based on service segments.

Performance is mainly measured based on EBITA (earnings before interest, tax, amortization of identifiable intangible assets). Management believes this is the most relevant measure in evaluating the operating results of the segments.

4 Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Goodwill

An impairment test of goodwill is carried out at least once a year or when required because of changed circumstances. Any test of impairment inevitably involves factors that have to be estimated. The realisable value is influenced by factors such as the prognosis for future economic conditions and expectations regarding market developments and operations. The estimates for these factors may change over time, which could lead to an impairment adjustment being recognized in profit or loss. The realisable value also depends on the discount rate used, which is the estimate of weighted average costs of capital for the entity concerned.

Identified intangible assets

Intangible assets such as brand name, customer relationship, contracts with insurers, distributions contracts and backlog are identified as intangible assets at the acquisition date. The fair value of these intangible assets is determined using estimates, the most significant being the expected cash flows attributable to the brand name, customer relationship, contracts and the discount rate used.

The expected future cash flows are based on the most recent long-term forecast from the perspective of the purchased entity. The discount rate used is the estimated weighted average cost of capital for the unit concerned. The estimates and assumptions might not hold in the future.

Useful life and impairment of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of useful lives and residual values involves management's estimation. The Group assesses annually the residual value and the useful life of its property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the period when the estimate is changed and in future periods.

The Group assesses regularly whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgment and estimates.

Allowances for bad and doubtful debts

The Group makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectable. The identification of bad and doubtful debts requires the use of judgment and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Deferred revenue

Deferred revenue represents the part of the amount invoiced to customers that has not yet met the criteria for revenue recognition and thus still has to be earned as revenue, by means of delivery of services in the future. The amount of deferred revenue per sample processed and stored is based on certain assumptions, like costs and the chance of future extraction rate of samples. Changes in these assumptions might have a significant impact on the amount of deferred revenue.

4 Critical accounting estimates and judgments continued

Income taxes

A deferred tax asset shall be recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized. Management assesses the probability that taxable profit will be available against which the unused tax losses or unused tax credits can be utilized.

Corporate taxation is calculated on the basis of income before taxation, taking into account the relevant local tax rates and regulations. For each operating entity, the current income tax expense is calculated and differences between the accounting and tax base are determined resulting in deferred tax assets or liabilities.

The calculation of the tax liabilities is based in part on the interpretations of applicable tax laws in the jurisdictions in which the Group operates. Although the Group believes the tax estimates are reasonable, there is no assurance that the final determination of the tax liabilities will not be materially different from what is reflected in the statement of income and balance sheet. Should additional taxes be assessed these could have a material effect on the Group's results of operation or financial condition.

5 Application of new or revised International Financial Reporting Standards

The IASB and IFRIC have issued new standards, amendments to existing standards and interpretations, some of which are not yet effective or have not been endorsed by the European Union. The Company has introduced standards and interpretations that became effective in 2009 or were early adopted.

New standards, amendments and interpretations applied in 2008

IFRS 8 Operating segments: IFRS 8 was published in November 2006 and is effective for the first time for fiscal years beginning on or after 1 January 2009. IFRS 8 prescribes entities to disclose financial and descriptive information for reportable segments. The Group adopted this standard as of 1 January 2008.

New standards, amendments and interpretations effective for the year ended 31 December 2009, but not applied

The following interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2009 but are not applicable for the Group.

- IAS 23 Borrowing costs: The Standard prescribes entities to capitalize borrowing costs attributable to a qualifying asset.
- IFRS 2 (Amendment) Share-based payment. The amended standard deals with vesting conditions and cancellations.
- IFRS 7 (Amendment) Financial Instrument: Disclosures.
- IFRIC 15 'Agreements for the Construction of Real Estate'.

New standards, amendments and interpretations not yet effective and not early adopted

IAS 27 (Amendment) Consolidated and Separate Financial Statements: The amendments to IAS 27 providing further clarification on accounting for non-controlling interest in subsidiaries in the consolidated financial statements will become effective as of 2010. The changes are not expected to have a significant impact on the consolidated financial statements.

IFRS 3 (Revised) Business Combinations. The revised standard IFRS 3 will become effective for the Group's 2010 financial statement (effective 1 July 2009). The Group has not opted for earlier application. The following key changes within IFRS 3 could have a significant impact:

- Contingent purchase considerations initially measured at fair value, whereby re-measurement is recognized via the statement of income;
- Acquisition-related costs are to be expensed.

Business combinations to date are not affected.

The following interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2010:

- IFRIC 17 'Distributions of Non-cash Assets to Owners'; and
- IFRIC 18 'Transfer of Assets from Customers';
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments'.

The Directors anticipate that the adoption of these Standards, Amendments and Interpretations in future periods will have no material impact on the net assets, financial position and results of operations or cash flows of the Group, except for the directly attributable costs and the adjustments of deferred considerations of business combinations. Certain of these standards and interpretations will require additional disclosures over and above those currently included in these financial statements in the period of initial application.

6 Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk
- capital risk.

The Company's major financial instruments include current and non-current trade and other receivables, cash and cash equivalents, current and non-current trade and other payables, financial leases and other non-current liabilities. Details of these financial instruments are disclosed in the respective notes.

Risk management framework

The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviewed the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and business partners.

In order to minimize the credit risk, management reviews the recoverable amount of each individual debt regularly to ensure that adequate impairment losses are recognized for irrecoverable debts. When it is not possible to review the recoverable amount of each individual (e.g. our business partners), management reviews the average days of revenue outstanding in order to determine whether the debts are irrecoverable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The primary objective of liquidity management is providing for sufficient cash and cash equivalents to enable the Company to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company.

The Company has no lines of credit incurred in the year 2009 and no debts (2008: none).

Market risk

Market risk includes currency risk and interest rate risk and comprises the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

Currency risk

The Group has identified transaction and translation risks as the main currency risks.

Transaction risk

Transaction risk to the Group is limited because the transactions of the foreign subsidiaries are denominated in their local currency, except for the intercompany recharge from Cryo-Save AG for processing and storage that is denominated in euro.

6 Financial risk management continued

Translation risk

Assets and liabilities and income and expenses of Group companies are translated to euro at foreign exchange rates prevailing at the balance sheet date and the dates of the transactions respectively.

The Company does not hedge translation risks (such as the foreign exchange effect of translating operating results achieved outside the eurozone). We regard our positions in other countries (in this case outside the eurozone) as strategic and assume that, over the longer term, currency fluctuations will be neutral on balance. The Group's main country outside the eurozone is Hungary.

Interest risk rate

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. The Group has no material borrowings. The sale and leaseback liability has a fixed interest percentage for 15 years. Therefore a change in interest rates at the reporting date would not affect profit or loss of the year.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirement and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within our subsidiaries. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures

Compliance with Group standards is supported by regular reviews by senior financial management at headquarters. Significant findings are reported to and discussed with the Board of Directors and local senior management.

Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure that optimize its cost of capital. The Board of Directors also monitors the level of dividends to ordinary shareholders.

From time to time the Group purchases its own shares on the market; the timing of these purchases depends on market prices. Primarily the shares are intended to be used for issuing shares under the Group's Share Option Scheme.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Fair values

No additional disclosure on fair values is required because the carrying amounts are considered to be a reasonable approximation of fair value.

7 Acquisitions

Italy

On 10 July 2009, Cryo-Save acquired Salus Futura Ltd, United Kingdom, which holds all shares of Salus Futura Srl, Italy ('Salus Futura'), for an initial consideration of €0.4 million payable in cash and a deferred performance related payment, payable annually on the achievement of certain goals until 31 May 2012. Salus Futura is an Italian stem cell storage marketing and distribution company, concentrating primarily on customer acquisition through diagnostic centers and private clinics.

The Salus Futura organization was fully integrated into the Cryo-Save Italy organization, hence no separate financial information with respect to the revenue contribution for the year 2009 and contribution to the 2009 operating profit on this acquisition is available.

7 Acquisitions continued

Breakdown

Total net acquisition spending in 2009 was €0.4 million (2008: €24.4 million). This includes an amount of €49,000 relating to costs that are directly attributable to the Salus Futura acquisition, such as legal fees and audit fees.

The acquisition during 2009 had the following effect on the assets and liabilities of the Group:

	Carrying amount	Fair value adjustments	Recognized values
Non-current assets	2	100	102
Current assets	254	–	254
Non-current liabilities	–	–	–
Current liabilities	(509)	–	(509)
Deferred tax liabilities	–	(26)	(26)
Net identifiable assets and liabilities	(253)	74	(179)
Goodwill on acquisitions			628
Consideration			**449**
Cash acquired			21
Deferred considerations			0
Net acquisition spending			**428**

The fair value adjustment of €0.1 million related to the identified intangible assets regarding contracts with diagnostic centers. With respect to these intangible assets, a deferred tax liability was recognized. The goodwill of €0.6 million is mainly attributable to the skills and talent of Salus Futura's management and the synergies expected to be achieved from integrating Salus Futura into the Group's existing stem cell storage activities. The goodwill was allocated to the 'stem cell storage' segment.

8 Operating segments

Since the acquisition of Output Pharma Services GmbH ('Output') in January 2008, the Group identified two operating segments: the extraction and storage of adult human stem cells, and other types of products and services. The latter mainly consists of Output.

There are no material levels of integration between the two reportable segments. The accounting policies of the reportable segments are mainly the same, except for revenue recognition. Information regarding the results of each reportable segment is included below. Performance is measured based on EBITA (earnings before interest, tax and amortization on identified intangible assets), as included in the internal management reports that are reviewed by the Board. There are no inter-segment transactions.

Corporate overhead costs were not allocated to the segment 'other'. All related headquarter costs were allocated to the segment 'stem cell storage'.

Information about reportable segments

	Stem cell storage 2009	2008	**Other 2009**	2008	**Total 2009**	2008
Revenue						
Segment revenue	**36,962**	27,698	**1,429**	1,787	**38,391**	29,485
Other segment information						
EBITA	**3,459**	3,164	**92**	220	**3,551**	3,384
Finance income	**110**	987	**8**	1	**118**	988
Finance expense	**(663)**	(426)	**(0)**	(8)	**(663)**	(434)
Depreciation and amortization	**(2,300)**	(1,621)	**(19)**	(23)	**(2,319)**	(1,644)
Profit before taxation	**1,684**	2,652	**99**	209	**1,783**	2,861
Income tax expense	**404**	227	**27**	66	**431**	293
Segment assets	**68,337**	63,662	**498**	486	**68,835**	64,148
Segment liabilities	**24,901**	20,908	**127**	187	**25,028**	21,095
Capital expenditure	**4,856**	9,381	**5**	25	**4,861**	9,406

8 Operating segments continued
Revenue from external customers attributed to the Company's country of domicile, The Netherlands, amounted to €0.3 million (2008: €0.3 million).

Revenue includes €130,000 interest related to customer payments in installments (2008: €37,500). Interest is charged at 7% in 2009 (2008: 7%).

Geographic information
In presenting information on the basis of geographical information, revenue per continent is based on the geographical location of customers. Non-current assets, other than financial instruments and deferred tax assets, are based on the geographical location of the assets.

	Revenue		Non-current assets	
	2009	2008	**2009**	2008
Europe	**36,525**	28,521	**48,617**	47,071
Asia	**1,193**	420	**711**	786
Africa	**673**	544	**2**	2
Total	**38,391**	29,485	**49,330**	47,859

Major customer
The Company had no major customers, as revenue mainly related to individual customers.

9 Revenue

	2009	2008
Stem cell extraction and storage	**36,962**	27,698
Other products and services	**1,429**	1,787
Total revenue	**38,391**	29,485

Revenue from stem cell extraction and storage include the impact of the change of the discount rate on the net present value of deferred revenue, amounting to €0.2 million additional revenue (2008: €0.2 million additional revenue). The discount rate is consistently based on the 20 years AAA-rated euro area government bonds interest rate, which amounted 4.4% as at 31 December 2009 (31 December 2008: 4.0%), plus a liquidity premium of 1%.

10 Cost of sales

	2009	2008
Collection costs	**3,053**	1,997
Service fees	**2,635**	1,826
Laboratory costs	**5,480**	5,455
Total cost of sales	**11,168**	9,278

Collection costs consisted of the costs of the collection kits and the transportation costs from the hospitals to the Group's processing and storage facilities.

Service fees comprised the reimbursements for the collection of the umbilical cord blood and cord tissue in the hospitals.

Laboratory costs contained the costs of the materials used in processing and storage the collected samples, and lab examination costs. These costs remained stable due to cost savings.

11 Marketing and sales expenses

	2009	2008
Employee benefit expenses	**6,439**	5,465
Non-recurring restructuring expenses	**421**	–
Other marketing expenses	**3,708**	2,352
Total marketing and sales expenses	**10,568**	7,817

Employee benefit expenses increased with 18% due to the higher variable salaries directly related to the number of samples stored and the full year impact of senior management recruited during 2008.

Following the acquisition of Salus Futura in July 2009, we integrated Cryo-Save Italy and Salus Futura and restructured top management. This resulted in material redundancy payments, but will also lead to significantly lower operating costs in the coming years.

12 Research and development expenses

	2009	2008
Employee benefit expenses	**265**	69
Other research and development costs	**138**	28
Total research and development expenses	**403**	97

Employee benefit expenses increased in 2009 due to less capitalized development costs. Number of staff did not increase.

Other research and development costs included €0.1 million contribution to third parties' research projects.

13 General and administrative expenses

	2009	2008
Employee benefit expenses	**4,392**	3,455
Other general and administrative expenses	**7,553**	6,531
Non-recurring listing expenses	**952**	–
Non-recurring write-down on equity accounted investees	**1,027**	–
Total general and administrative expenses	**13,924**	9,986

Employee benefit expenses increased €0.9 million due to the full year impact of the acquired companies in 2008 and investments made in India and France.

13 General and administrative expenses continued
Other general and administrative expenses mainly increased due to the increase of depreciation and amortization (+€0.7 million).

The non-recurring listing expenses related to the listing of Cryo-Save Group N.V. at NYSE Euronext Amsterdam at 22 October 2009. The expenses mainly relate to advisers fees.

Cryo-Save's equity accounted investee Cryo-Save Arabia FZ-L.C.C. (35% ownership), which operates in the United Arab Emirates, saw a significant decrease in sales during 2009. As a result, the Group wrote down €1.0 million of receivables due from Cryo-Save Arabia. This relates to non-cash fees of €0.5 million for services regarding the construction of the processing and storage facility, a non-cash royalty fee of €0.2 million for samples processed and stored in Dubai, and a fee of €0.3 million for samples processed and stored in the Belgium processing and storage facility from UAE customers. The receivables comprise of €0.5 million relating to 2007, €0.3 million to 2008 and €0.2 million to 2009.

14 Employee benefit expenses

	2009	2008
Salaries and wages	**9,665**	7,308
Social security costs	**1,244**	1,016
Cost of defined contribution plans	**119**	74
Equity settled, share-based payment transactions	**266**	211
Other personnel expenses	**223**	380
Total employee benefit expenses	**11,517**	8,989

Employees

FTEs at 31 December	2009	2008
India	**71**	34
Belgium	**27**	26
Spain	**25**	22
Italy	**24**	28
France	**23**	3
Hungary	**17**	20
The Netherlands	**16**	16
Switzerland	**13**	13
Other countries	**34**	34
Total employment	**250**	196

Full time equivalents (FTEs) increased organically by 54, mainly reflecting the increase of investments in sales staff in India and France. This overview does not include staff employed by the Group's business partners mainly operating in the South Eastern European countries.

15 Depreciation and amortization expenses

	2009	2008
Depreciation of property, plant and equipment	**999**	551
Amortization of intangible assets regarding acquisitions	**1,223**	1,077
Amortization of other intangible assets	**97**	16
Total depreciation and amortization expenses	**2,319**	1,644

The increase of depreciation expenses is mainly due to the new processing and storage facility in Belgium. The increase of amortization expenses is due to the full year impact on amortization of identified intangible assets, such as customer relationship, brand name, contracts and order backlog.

16 Finance income

	2009	2008
Interest income bank and deposits	**107**	789
Currency translation differences	**11**	199
Total finance income	**118**	988

Interest income mainly comprise of interest on bank deposits, and decreased significantly due to a lower cash position in 2009 following the acquisition spending in 2008 and lower interest rates.

17 Finance costs

	2009	2008
Bank charges and other finance costs	**280**	192
Unwinding of discounted deferred considerations	**293**	242
Interest expense sale and leaseback	**90**	–
Total finance costs	**663**	434

The unwinding of discounted deferred considerations related to three performance plans with former shareholders of acquired companies. These costs are non-cash items.

The interest expense related to the sale and leaseback agreement dated 1 September 2009 of €4.3 million at a fixed interest percentage of 5.5% for the period of 15 years.

18 Income tax expense

	2009	2008
Income tax recognized in profit or loss	**431**	293
Tax expense comprises:		
Current tax expense/(income)	**1,476**	988
Deferred tax expense/(income)	**(678)**	(695)
Prior year's tax difference	**(367)**	–
Total tax expense	**431**	293
Reconciliation of the effective tax rate:		
Profit before taxation	**1,783**	2,861
Income tax using the Company's domestic tax rate (Dutch nominal tax rate 2009: 25.5%; 2008: 25.5%)	**455**	730
Tax effect of:		
Effect of tax rates in other countries	**(731)**	(538)
Non-deductible expenses	**173**	95
Profits offset with unused tax losses for which no deferred tax asset had been recognized	**(17)**	(128)
Unused tax losses not recognized as deferred tax assets	**918**	134
Prior year's tax differences	**(367)**	–
Income tax expense	**431**	293

The weighted average tax rate on profits before taxation was 24.4% (2008: 10.2%).

The Company's unused tax losses amount to €10.5 million including a 2007 adjustment of €3.9 million (2008: €3.9 million excluding the 2007 adjustment of €3.9 million). Due to the uncertainty of realizing these unused tax losses in future periods, a deferred tax asset (in any of the above years) has not been recognized in respect of those losses. Part of the unused tax losses will expire on 31 December 2014 (€2.1 million), €8.4 million can be compensated indefinitely.

19 Earnings per share

	2009	2008
Basic earnings per share (in euro cents)	**14.6**	27.3
Diluted earnings per share (in euro cents)	**14.6**	27.3

Pursuant to the passing of the relevant resolutions at the Extraordinary General Meeting, held on 5 October 2009, the 5:1 share consolidation became effective. The comparative basic and diluted earnings per share have been restated for the 5:1 share consolidation.

The average market value of ordinary shares during 2009 did exceed the exercise price of the share options granted in 2009. Hence these options had a dilutive effect, which was not material.

The average market value of ordinary shares during 2009 did not exceed the exercise price of the share options granted in 2007 and 2008. Hence these options had no dilutive effect.

Reconciliation between issued number of shares and weighted average number of shares:

	2009	2008
Issued ordinary shares at 1 January	**48,195,986**	48,195,986
Effect of share consolidation	**(38,556,795)**	–
Shares held in treasury	**(409,833)**	(1,221,335)
Weighted average number of shares	**9,229,358**	46,974,651

Reconciliation between weighted average number of shares and diluted weighted average number of shares:

	2009	2008
Weighted average number of shares	**9,229,358**	46,974,651
Share options	**7,478**	–
Diluted weighted average number of shares	**9,236,836**	46,974,651
Profit attributable to ordinary equity holders of the Company	**1,352**	2,568

20 Intangible assets

	Goodwill	Identified intangible assets	Internally generated intangible assets	Other intangible assets	2009
At 1 January 2009					
Cost	**25,947**	**11,978**	**561**	**45**	**38,531**
Amortization	**–**	**(1,077)**	**–**	**(16)**	**(1,093)**
Net book value at 1 January 2009	**25,947**	**10,901**	**561**	**29**	**37,438**
Movements					
Translation differences	**(109)**	**(95)**	**–**	**–**	**(204)**
Acquisitions	**2,028**	**100**	**–**	**–**	**2,128**
Investments	**–**	**–**	**186**	**31**	**217**
Deferred considerations adjustment	**(2,893)**	**–**	**–**	**–**	**(2,893)**
Amortization	**–**	**(1,223)**	**(83)**	**(14)**	**(1,320)**
Total movements 2009	**(974)**	**(1,218)**	**103**	**17**	**(2,072)**
At 31 December 2009					
Cost	**24,973**	**11,983**	**747**	**76**	**37,779**
Amortization	**–**	**(2,300)**	**(83)**	**(30)**	**(2,413)**
Net book value at 31 December 2009	**24,973**	**9,683**	**664**	**46**	**35,366**

Goodwill increased to the Salus Futura acquisition (€0.6 million) and the post balance sheet date acquisition of the remaining 30% shareholding of Sejtbank and Cryo-Save CZ (€1.4 million).

The deferred considerations adjustment of goodwill of €2.9 million mainly related to the cancellation of the earn out liability to former shareholders of Sejtbank and Cryo-Save CZ, following the post balance sheet date acquisition of the 30% minority shareholding.

The amortization expense is recorded under general and administrative expenses in the statement of income.

The net book value of the identified intangible assets of €9.7 million (2008: €10.9 million) represented the value of brand name €1.0 million (2008: €1.4 million), customer relationship €5.8 million (2008: €6.1 million) and contracts €2.9 million (€3.4 million).

The impairment test performed in 2009 showed that the recoverable amount for each cash-generating unit exceeded the carrying amount, hence no impairment of goodwill or identified intangible assets was recognized in 2009 (2008: €0).

The impairment test also included a sensitivity analysis of changes in assumptions.

	Goodwill	Identified intangible assets	Internally generated intangible assets	Other intangible assets	2008
At 1 January 2008					
Cost	1,750	–	193	–	1,943
Amortization	–	–	–	–	–
Net book value at 1 January 2008	1,750	–	193	–	1,943
Movements					
Acquisitions	25,391	10,784	–	13	36,188
Investments	–	–	368	32	400
Reclassification	(1,194)	1,194	–	–	–
Amortization	–	(1,077)	–	(16)	(1,093)
Total movements 2008	24,197	10,901	368	29	35,495
At 31 December 2008					
Cost	25,947	11,978	561	45	38,531
Amortization	–	(1,077)	–	(16)	(1,093)
Net book value at 31 December 2008	25,947	10,901	561	29	37,438

20 Intangible assets continued

Goodwill impairment testing

For the purpose of impairment testing, goodwill is allocated to the Group's operating entities which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

The aggregate carrying amount of goodwill allocated to each unit amounted to €24.8 million for operating segment 'stem cell storage' and €0.1 million for the 'other' operating segment.

The Group reviews at each reporting date whether there is an indicator of impairment of any of the cash-generating units that contain goodwill and identified intangible assets. For goodwill and identified assets that have an indefinite useful life, annual impairment testing is performed by comparing the carrying amount of the cash-generating unit to the higher of its recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and value in use, which is the present value of future cash flows.

These projections of cash flows are based on actual operating results and 2010 budget. The cash flows are extrapolated into the future using a steady growth rate of 10% for the segment 'stem cell storage' and 3% for the segment 'other' for the years two to five, and 2.0% beyond this five year period. The projected pre-tax cash flows are discounted to their net present value using a pre-tax discount rate of 15% (2008: 15%) for the segment 'stem cell storage' and 14% (2008: 15%) for the segment 'other'.

The key assumptions used in the projections are:
- Revenue growth: based on actual experience and market analysis.
- Margin development: based on actual experience and management's long-term projections.
- WACC: based on the company specific rates of return demanded from investors in the company and based on the current leverage of the company.

If the future cash flows were to be 10% lower than assumed for the impairment test, no impairment losses would have to be recognized at year end 2009, nor would this be necessary if the discount rate were 1 percentage point higher than assumed for the impairment test.

Identified intangible assets

The items such as brand name, customer relationship and contracts with distributors and insurers concern assets with a limited useful life. The value of these identified intangible assets are mainly determined by ongoing strength of the brand name, retention rate of satisfied customers and potential customers from contracts with hospitals, insurers and diagnostic centers.

Internally generated intangible assets

Internally generated intangible assets arose from the development of the new products CryoCordPlus, Cryo-Lip and the Company's website. The capitalized costs consist of directly attributable costs of employee benefits, as well as materials and services used. Amortization for the new products will begin when the developed products are available for sale as intended by management.

Amortization for the website and CryoCordPlus started from May and October 2009 respectively as the website was officially launched and the service CryoCordPlus was widely rolled out in the market.

In 2009 and 2008 no impairment of these intangible assets was deemed necessary.

Other intangible assets

Other intangible assets relate mainly to capitalized software licenses and is amortized in three years.

In 2009 and 2008 no impairment of these intangibles was deemed necessary.

As in previous year, no intangible assets have been pledged as security for liabilities.

21 Property, plant and equipment

	Land and buildings	Land and buildings under construction	Lab and office equipment	Other tangible assets	2009
At 1 January 2009					
Cost	**4,349**	**3,309**	**2,885**	**1,478**	**12,021**
Depreciation	**(15)**	**–**	**(1,010)**	**(575)**	**(1,600)**
Net book value at 1 January 2009	**4,334**	**3,309**	**1,875**	**903**	**10,421**
Movements					
Acquisitions	**–**	**–**	**–**	**2**	**2**
Investments	**33**	**2,848**	**1,555**	**208**	**4,644**
Reclassification	**6,157**	**(6,157)**	**–**	**–**	**–**
Disposals at cost	**(2)**	**–**	**(28)**	**(125)**	**(155)**
Depreciation	**(202)**	**–**	**(503)**	**(294)**	**(999)**
Foreign exchange differences	**–**	**–**	**–**	**(2)**	**(2)**
Depreciation on disposals	**–**	**–**	**13**	**40**	**53**
Total movements 2009	**5,986**	**(3,309)**	**1,037**	**(171)**	**3,543**
At 31 December 2009					
Cost	**10,537**	**–**	**4,412**	**1,561**	**16,510**
Depreciation	**(217)**	**–**	**(1,500)**	**(829)**	**(2,546)**
Net book value at 31 December 2009	**10,320**	**–**	**2,912**	**732**	**13,964**

Land and buildings under construction related to the investment of the new processing and storage facility in Niel, Belgium. The Company entered into a financial sale and lease back agreement for 15 years for €4.3 million. After the 15 years, the Company has an option to repurchase the building for €430,000 (10% of selling price). After completing the processing and storage facility, the total investment was reclassified to the caption 'Land and buildings'.

The fair value of land and buildings, lab and office equipment and other tangible assets does not differ materially from the carrying value.

No property has been provided as collateral.

The total commitment for the purchase of laboratory and office equipment amounts to €0.5 million and relate to the processing and storage facility under construction in Lyon, France.

21 Property, plant and equipment continued

	Land and buildings	Land and buildings under construction	Lab and office equipment	Other tangible assets	2008
At 1 January 2008					
Cost	–	185	1,249	798	2,232
Depreciation	–	–	(710)	(396)	(1,106)
Net book value at 1 January 2008	–	185	539	402	1,126
Movements					
Acquisitions	254	–	186	491	931
Investments	4,095	3,124	1,450	337	9,006
Disposals at cost	–	–	–	(153)	(153)
Depreciation	(15)	–	(300)	(236)	(551)
Foreign exchange differences	–	–	–	5	5
Depreciation on disposals	–	–	–	57	57
Total movements 2008	4,334	3,124	1,336	501	9,295
At 31 December 2008					
Cost	4,349	3,309	2,885	1,478	12,021
Depreciation	(15)	–	(1,010)	(575)	(1,600)
Net book value at 31 December 2008	4,334	3,309	1,875	903	10,421

22 Investment in subsidiaries

Details of the Company's subsidiaries at year end are as follows:

Name of subsidiary directly held by Cryo-Save Group N.V	Place of incorporation	Share holding **2009**	2008
Cryo-Save AG	Switzerland	**100%**	100%
Cryo-Save Stammzelltechnologie GmbH	Austria	**100%**	100%
Cryo-Save GmbH	Germany	**100%**	100%
Cryo-Care GmbH*	Germany	**–**	100%
Cryo-Save Italia S.r.l.	Italy	**100%**	100%
The Cell-Factory NV	Belgium	**100%**	100%
Stichting Cryo-Save**	The Netherlands	**100%**	100%
Cryo-Save Espana S.A.	Spain	**100%**	100%
Cryo-Save UK Ltd.	United Kingdom	**100%**	100%
Output Pharma Services GmbH	Germany	**100%**	100%
Cryo-Save Polska Sp.z.o.o.	Poland	**100%**	99%
Cryo-Save South Africa Ltd.	South Africa	**100%**	100%
Cryo-Save Balcanica S.A.	Greece	**100%**	100%
Stemcell GmbH	Germany	**100%**	100%
Cryo-Save France S.A.S.	France	**100%**	100%
Cryo-Save (India) Private Limited	India	**100%**	100%
Cryo-Save Portugal Lda	Portugal	**100%**	100%
Sejtbank Egeszsegugyi Szolgaltato Kft.	Hungary	**70%**	70%
Cryo-Save CZ s.r.o. (formerly: Archiv Bunek s.r.o.)	Czech Republic	**70%**	70%
CrioCord S.L.	Spain	**100%**	100%
Valor Conexo SGPS Lda	Portugal	**100%**	100%
Salus Futura Ltd.	United Kingdom	**100%**	–

* Cryo-Care GmbH merged with the Company's subsidiary Cryo-Save GmbH.
** Cryo-Save Group N.V. controls this entity.

22 Investment in subsidiaries continued
Cryo-Save AG's principal activity is the collection, processing and storage of adult human stem cells from umbilical cord blood and the umbilical cord itself. The principal activity of the other subsidiaries is the sale of this service, except for Output Pharma Services GmbH.

23 Investments in equity accounted investees
Details of the Company's equity accounted investees at year end are as follows:

Name of equity accounted investee	Place of incorporation	2009	Share holding 2008
Al-Zahrawi Life-Sciences Ltd.*	United Arab Emirates	**35.0%**	35.0%

* 99% owner of Cryo-Save Arabia FZ-L.L.C.

Summarized financial information (100%, in thousands of euro):

	2009	2008
Total assets	**1,129**	658
Total liabilities	**3,100**	2,653
Revenues	**1,632**	1,510
Profit or (loss)	**(61)**	(196)
Unrecognized share of losses	**(697)**	(698)

The Company has discontinued recognition of its share of losses of Cryo-Save Arabia FZ-L.L.C., amounting to €21,350 for the year 2009 (2008: €68,600) and €0.7 million cumulatively. The Group's liability towards this equity accounted investees is limited to the invested amount.

24 Deferred tax assets and liabilities
In assessing the valuation of the deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the deferred tax assets considered realizable, however, could change in the near term if future estimates of projected taxable income during the carry-forward period are revised.

Unrecognized deferred tax assets and liabilities
Given that the compensation of tax losses against future tax profits is uncertain and also that such loss relief will be possible only in the long term, potential tax losses for a non-discounted amount of €10.5 million including a 2007 adjustment of €3.9 million (2008: €3.9 million excluding the 2007 adjustment of €3.9 million) have not been recognized as deferred tax assets.

Part of the unused tax losses will expire on 31 December 2014 (€2.1 million), €8.4 million can be compensated indefinitely.

Recognized deferred tax assets and liabilities
Deferred tax assets and liabilities relate to the following balance sheet items:

	Assets		Liabilities	
	2009	2008	**2009**	2008
Goodwill/indentifiables			**2,491**	2,779
Provision for doubtful debts	**158**	66		
Net operating losses	**940**	574		
Land and buildings			**153**	
Others	**23**		**12**	48
Balance at 31 December	**1,121**	640	**2,656**	2,827

24 Deferred tax assets and liabilities continued

Deferred tax is calculated on temporary differences using the tax rate of the tax jurisdiction to which the deferred tax relate. Deferred tax assets in respect of tax losses or tax credits are recognized in so far they are deemed recoverable on the basis that relief will be possible against future taxable profits.

Deferred tax assets of €0.9 million (2008: €0.6 million) relate to tax losses to be compensated with foreseeable future profits.

Approximately €0.3 million of the deferred tax liabilities at 31 December 2009, will be utilized within one year.

Movement in temporary differences

The movement in temporary differences during the year 2009 was as follows:

	Balance at 1 January 2009	Acquisitions	Recognized in income	Balance at 31 December 2009
Goodwill/ indentifiables	**(2,779)**	**(26)**	**314**	**(2,491)**
Provision for doubtful debts	**66**		**92**	**158**
Net operating losses	**574**		**366**	**940**
Land and buildings			**(153)**	**(153)**
Others	**(48)**		**59**	**11**
Tax assets/ (liabilities)	**(2,187)**	**(26)**	**678**	**(1,535)**

The movement in temporary differences during the year 2008 was as follows:

	Balance at 1 January 2008	Acquisitions	Recognized in income	Balance at 31 December 2008
Goodwill/ indentifiables		(3,054)	275	(2,779)
Provision for doubtful debts	15		51	66
Net operating losses	157		417	574
Land and buildings				
Others			(48)	(48)
Tax assets/ (liabilities)	172	(3,054)	695	(2,187)

25 Non-current trade and other receivables

	2009	2008
Trade receivables	**1,026**	1,296
Other receivables	**28**	8
Total non-current trade receivables	**1,054**	1,304

Non-current trade receivables comprise receivables with a contractual payment term over a year. These amounts will be invoiced to the customers in the regarding year of payment, including interest. The carrying amount of non-current trade receivables does not include interest.

No security has been provided for the outstanding amount.

There is no concentration of credit risks relating to the non-current trade receivables.

26 Inventories

	2009	2008
Collection kits	**99**	144
Laboratory kits	**123**	133
Other inventory	**29**	10
Total inventories	**251**	287

The cost of inventories included in the statement of income under cost of sales amounted to €2.9 million (2008: €2.5 million).

No write-down of inventories was recorded in 2009 and 2008.

The inventories are not pledged as security for liabilities.

27 Current trade and other receivables

	2009	2008
Trade receivables	**8,409**	7,014
Prepayments	**180**	127
Receivables from related parties	**–**	2
Receivables from equity accounted investees	**–**	796
Other receivables	**318**	217
Total current trade and other receivables	**8,907**	8,156

Cryo-Save's associate Cryo-Save Arabia FZ-L.C.C. (35% ownership), which operates in the United Arab Emirates, saw a significant decrease in sales during 2009. As a result, the Group wrote down €1.0 million of receivables due from Cryo-Save Arabia. This relates to non-cash fees of €0.5 million for services regarding the construction of the processing and storage facility, a non-cash royalty fee of €0.2 million for samples processed and stored in Dubai, and a fee of €0.3 million for samples processed and stored in the Belgium processing and storage facility from UAE customers. The receivables comprise of €0.5 million relating to 2007, €0.3 million to 2008 and €0.2 million to 2009.

There is no concentration of credit risks relating to the current trade receivables.

The fair value of the receivables is equal to their carrying value, because of their short-term nature.

28 Current tax assets

	2009	2008
VAT receivable	**318**	976
Income tax receivable	**330**	144
Other tax receivable	**39**	85
Total current tax assets	**687**	1,205

In 2009, the Company received VAT amounting to €0.7 million related to the purchase of the processing and storage facility in Lyon, France.

29 Cash and cash equivalents

	2009	2008
Deposits	**5,269**	–
Cash and bank balances	**2,216**	4,697
Total cash and cash equivalents	**7,485**	4,697

All the balances are at the free disposal of the Group.

30 Equity

Share capital and share premium

Authorized shares

On 8 October 2009 the Company performed a 5:1 share consolidation. As a result of the share consolidation the Company's authorized share capital now comprises 48,000,000 shares with a par value of €4,800,000 as per 31 December 2009 (ordinary shares of €0.10 each).

At 31 December 2008, the total authorized share capital consisted of 177,686,250 shares with a par value of €3,553,725 (ordinary shares of €0.02 each).

Issued shares

The total issued ordinary share capital consists per 31 December 2009 of 9,639,191 shares with a par value of €0.10 (31 December 2008 restated: 9,639,191 shares).

At the Annual General Meeting of Shareholders held on 20 May 2009, it was resolved to delegate to the Board of Directors the power (a) to issue shares and rights to subscribe for shares in the share capital of the Company up to a maximum number of 20% of the issued share capital, and (b) to restrict or exclude the pre-emptive rights in connection with an issue of such number of shares or rights to subscribe for shares, each for a period of 18 months.

Translation reserve

The translation reserve contains exchange rate differences arising from the translation of the net investment in foreign operations, and of the related hedges. When a foreign operation is sold, exchange differences that were recorded in equity prior to the sale are recycled through the income statement as part of the gain or loss on divestment. This reserve is not available for distribution.

Revaluation reserve

The revaluation reserve relate to the accounting of the 2008 acquisition of 50% of the remaining shares of Cryo-Save Balcanica S.A. As part of the purchase price allocation, the intangible assets relating to the 50% of the shares already owned by Cryo-Save were revalued. Along with the amortization, the reserve will be released to retained earnings. This reserve is not available for distribution.

Legal reserve

Legal reserve contains appropriations of profits of Group companies which are allocated to a legal reserve based on statutory and/or legal requirements. This reserve is not available for distribution.

Dividends

In July 2009, the Company distributed a maiden dividend of 1 euro cent for the year ended 31 December 2008 (5 euro cent restated for 5:1 share consolidation). The total dividend distributed amounted to €462,000.

30 Equity continued

Treasury shares

To cover the dilutive effect of the granted share options in 2007, 2008 and 2009 under the 2007 and 2009 Share Option Scheme to staff and to fund acquisitions, the Group started a share buy-back programme in 2007. At 31 December 2009 the Group had acquired 424,000 of its own shares in treasury (December 2008: 354,000). Treasury shares are recorded at cost and amounted to €3.7 million at 31 December 2009 (31 December 2008: €3.5 million), representing the market price on the acquisition date.

At the Annual General Meeting of Shareholders held on 20 May 2009, it was resolved to delegate to the Board of Directors the power (a) to repurchase shares up to a maximum of 10% of the Company's issued shares as at the date of the Annual General Meeting on 20 May 2009, (b) by acquiring either ordinary or depository interest; (c) for a purchase price not less than two euro cents and not higher than the mid-market trading price quoted by the AIM market on the London Stock Exchange as at the date of acquisition plus a 10% premium; (d) for a period of 18 months.

At the Extraordinary General Meeting of Shareholders held on 5 October 2009, it was resolved to delegate to the Board of Directors the power (a) to repurchase shares up to a maximum of 10% of the Company's issued shares as at the date of the of the extraordinary general meeting of shareholders, (b) by acquiring shares or depository interest; (c) for a purchase price not less than ten euro cents and not higher than the highest of either (i) the average closing price over the five trading days prior to the date of acquisition on Euronext Amsterdam by NYSE Euronext plus a 10% premium or (ii) the average closing price over the five trading days prior to the date of acquisition on AIM plus a 10% premium; (d) for a period of 18 months.

	Number of shares 2009	2008	**Purchase price 2009**	2008
Balance at 1 January	**354,000**	31,000	**3,497**	435
Share buy-back	**70,000**	323,000	**167**	3,062
Balance at 31 December	**424,000**	354,000	**3,664**	3,497

The purchase price of the share buy-back transactions during 2009 ranged from 187.5 pence to 262.5 pence.

Due to the share consolidation, above mentioned numbers of shares in 2008 and 2009, have been restated for the 5:1 share consolidation.

31 Borrowings

	2009	2008
Borrowings – non-current liabilities	**3,795**	111
Borrowings – current liabilities	**180**	38
Total borrowings	**3,975**	149

Borrowing represent financial lease commitments.

The following table describes, as per 31 December 2009, our contractual obligations for the following five years and thereafter.

	Future minimum lease payments 2009	**Interest 2009**	**Present value of minimum lease payments**
Less than one year	**393**	**213**	**180**
Between one and five years	**1,537**	**747**	**790**
More than five years	**3,952**	**947**	**3,005**
Total	**5,882**	**1,907**	**3,975**

	Future minimum lease payments 2008	Interest 2008	Present value of minimum lease payments
Less than one year	38	0	38
Between one and five years	111	0	111
More than five years	–	–	–
Total	149	0	149

In March 2009 the Group entered into a sale and lease back agreement with ING Lease Belgium N.V. in relation to the Group's processing and storage facility in Niel, Belgium. Pursuant to the agreement, ING Lease Belgium N.V. purchased the facility and agreed to finance its construction for an amount of €4.3 million. The Group leased the facility for a fixed period of 15 years. Lease instalments are paid quarterly in advance commencing on 1 September 2009, and are computed on an annuity basis. The interest is fixed for 15 years at 5.5%. The first quarterly payment amounted to €430,000 followed by quarters of €93,000. The lease obligation is recognized as financial lease obligation (borrowings). After the initial 15-years lease period the Group has the right to purchase the facility from ING Lease Belgium N.V. for 10% of the invested amount (€430,000).

The 2008 borrowings related to financial lease commitments, mainly vehicles.

32 Deferred revenue

	2009	2008
Deferred revenue – non-current liabilities	**6,090**	4,885
Deferred revenue – current liabilities	**471**	389
Total deferred revenue	**6,561**	5,274

Deferred revenue will be earned as revenue by means of the annual storage over a contractually committed 20 years period. The part of deferred revenue that will be recognized as revenue within one year, is disclosed under current liabilities.

33 Deferred considerations

	2009	2008
Deferred considerations – non-current liabilities	**2,080**	5,777
Deferred considerations – current liabilities	**1,264**	859
Total deferred considerations	**3,344**	6,636

The movement in deferred considerations during the year 2009 was as follows:

	2009	2008
Balance at 1 January	**6,636**	–
Acquisitions	**0**	6,537
Deferred consideration adjustment	**(2,893)**	–
Payments	**(692)**	(143)
Interest	**293**	242
Total deferred considerations	**3,344**	6,636

The decrease of the deferred considerations adjustment of €2.9 million, mainly related to the release of the 30-year deferred consideration agreement with the former owners of Sejtbank and Cryo-Save CZ, which the Company purchased post balance sheet date.

The table below describes, as of 31 December 2009, our contractual obligations for the following years:

	Total	2010	2011	2012
Deferred considerations	**3,344**	1,264	1,151	929
Total	**3,344**	1,264	1,151	929

Deferred considerations relate to three performance plans agreed with former owners of acquired entities.

The sellers of the Company's subsidiary Sejtbank and Cryo-Save CZ would receive on a quarterly basis the variable purchase price, equaling 3% of the revenues for the respective quarter of Sejtbank and Cryo-Save CZ for a maximum period of 30 years. Early 2010 the Company purchased the remaining 30% of the shares of Sejtbank and Cryo-Save CZ from the former owners. Therefore, the deferred consideration of those two entities decreased significantly. The purchase price for the remaining 30% of the shares of Sejtbank and Cryo-Save CZ amounts to €1.4 million and is recorded under 'other current payables' in the balance sheet.

The sellers of the Company's subsidiary Criocord (Spain) receive a variable purchase price per sample that arrives at the Cryo-Save processing and storage facility, exceeding a minimal number of samples per year, until 31 December 2011.

The former owners of the subsidiary Cryo-Save Balcanica are entitled to a deferred payment per sample stored, exceeding a number of samples per year, until 30 June 2011.

The former owners of the subsidiary Salus Futura have a deferred performance plan payable annually on the achievement of certain goals until 31 May 2012.

34 Current trade and other payables

	2009	2008
Trade payables	**1,733**	1,571
Payables to related parties	**1**	30
Other payables	**4,799**	2,592
Total current trade and other payables	**6,533**	4,193

The other payables includes €1.4 million for the post sheet balance date acquisition of the remaining 30% of the shares of Sejtbank and Archiv Bunek.

Fair value of the current trade and other payables is equal to their carrying value, due to their short-term nature.

35 Current tax liabilities

	2009	2008
VAT payable	**251**	301
Income tax payable	**1,296**	1,342
Other taxes payable	**328**	320
Total current tax liabilities	**1,875**	1,963

36 Share-based payments

In 2009 the Group recognized €0.3 million share-based payment costs, relating to three option plans issued in 2007, 2008 and 2009 respectively (2008: €0.2 million).

Share option scheme

On 30 October 2007 the Company established the Cryo-Save Group 2007 Share Option Scheme (the 'Option Scheme'). All options granted in 2007, 2008 and 2009 currently outstanding were granted under this Option Scheme. The main features of this 2007 Option Scheme are summarized as follows:

All employees of the Company and/or its subsidiaries and Executive and Non-Executive Directors who are nominated by the Selection, Appointment and Remuneration Committee are eligible to participate. Certain third parties selected by the Selection, Appointment and Remuneration Committee are also eligible to participate.

Grants of options may normally be made within 42 days after either the date on which the option Scheme was approved by the Company or the announcement of the Company's interim or final results in each year. Options may also be granted at other times to new employees, management companies or Directors or in other circumstances determined by the Selection, Appointment and Remuneration Committee to be exceptional. No options may be granted more than five years after the date the Option Scheme was approved by the Company.

36 Share-based payments continued
The option price per ordinary share is the amount determined as the greatest of (1) the amount equal to the average of the closing market prices of an ordinary share over the five dealing days prior to the date on which an option is granted to a participant; (2) the nominal value of an ordinary share; or (3) the amount specified by the Selection, Appointment and Remuneration Committee to be the option price.

An option granted under the Option Scheme is not transferable and generally may only be exercised within the period of three to ten years after the date of grant except in the following circumstances: (a) an option is exercisable within a limited period if the option holder ceases to be employed by the Company and/or its subsidiaries by reason of injury, disability, ill-health or redundancy or retirement; or because his employing company ceases to be a member of the Group; or because his employing business is being transferred out of the Group, or, at the discretion of the Board, for any other reason. In the case of a management company, the option is so exercisable if the Selection, Appointment and Remuneration Committee so decide.

The personal representatives of an option holder may exercise an option within a limited period of the death of the option holder; (b) Options are exercisable within a limited period in the event of a takeover of the Company or in the event that an offer becomes entitled or bound to acquire any ordinary shares and will in certain circumstances lapse if not so exercised; (c) the options are exercisable within a limited period in the event that the Company is placed in liquidation.

The aggregate number of ordinary shares issued or that remain capable of issue under the Option Scheme on (and including) any date of grant together with the number of ordinary shares issued or that remain capable of issue pursuant to options granted in the previous 10 years under all the share schemes of the Company may not exceed 5% of the number of ordinary shares in issue immediately before the date of grant.

On 5 October 2009 the General Meeting adopted a revised Share Option Scheme, which is called the '2009 Share Option Scheme'. The main amendment in relation to the 2007 Share Option Scheme is that the Selection, Appointment and Remuneration Committee may adjust the number of options that have been granted to a participant in the event the options were granted based on incorrect financial or other data, or in the event due to extraordinary circumstances arisen since the date of the grant of the options, the exercise of the options by a participant would produce an unfair result. The adjustment may only be downwards if options were granted based on incorrect financial or other data. In such an event the Selection, Appointment and Remuneration Committee may also recover from a participant any amounts received after the exercise of the options. In the event the exercise of the options by a participant would produce an unfair result due to extraordinary circumstances arisen since the date of the grant of the options, the adjustment may be both upwards and downwards.

At 23 April 2009 options were granted for 67,000 ordinary shares in Cryo-Save Group N.V. The Company granted 35,000 options to Directors of the Company and 32,000 options to certain other employees of the Company all at an exercise price of £2.79 per share.

	Share option plan 2009	Share option plan 2008	Share option plan 2007	**Total**
Outstanding at 1 January 2009	**–**	68,000	68,000	**136,000**
Conditionally awarded	**67,000**	–	–	**67,000**
Vested	**–**	–	–	**–**
Forfeited	**8,000**	30,000	15,000	**53,000**
Outstanding at 31 December 2009	**59,000**	38,000	53,000	**150,000**
End of period	**2019**	2018	2017	
Exercise price	**£2.79**	£10.50	£11.05	

The former Chief Executive Officer, Rob Koremans, left the Group per 31 July 2009. R. Koremans held 20,000 options, granted in 2009 which were exercisable until 30 January 2010. The options granted to R. Koremans in 2007 (15,000) and 2008 (20,000) lapsed as per 31 July 2009 when he left the Company.

The remainder forfeited share options related to senior managers that left the Group.

The fair market value of each conditionally awarded share in 2009 under the Share Option Scheme was £1.86 as determined by an outside consulting firm.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial model, with the following inputs:

Fair value share options and assumptions

	Share option plan 2009	Share option plan 2008
Fair value at grant date (in pounds)	**£1.86**	£4.65
Share price (in pounds)	**£3.48**	£10.63
Exercise price (in pounds)	**£2.79**	£10.50
Maturity (in years)	**10**	10
Vesting period (in years)	**3**	3
Forfeiture rate (in %)	**10**	10
Risk-free interest rate (in %)	**3.75**	5
Dividend yield (in %)	**1**	1
Expected volatility (weighted average, in %)	**60**	50

36 Share-based payments continued
The volatility has been based on the same peer group as were identified in previous Share Option Scheme plans, which have been active within the same industry with same activities (CryoLife, CryoCell, CryoCath, Viacell and Vita34). Derived from these data the volatility ranged from 60% to 100%. Based on the volatility of the most comparable peer the Group used 60% as assumption in the calculation.

37 Directors' remuneration

For details of the Group's remuneration policy, see the Remuneration report.

The remuneration of the Directors was as follows:

	Base salary and fees	Bonus	Social security	Pension	Other benefits	2009	2008
R. Koremans*	144	–	8	7	14	173	400
A.P. van Tulder	130	98	8	8	22	266	263
M.J. Waeterschoot	0	0	0	0	15	15	13
J.P.G. Goossens	37					37	30
W.A.A. van Pottelberge	38					38	30
W. Spinner	35					35	60
Total remuneration	384	98	16	15	51	564	796

* R. Koremans resigned as at 31 July 2009.

The Group's costs of the 2008 and 2009 granted share options are not included in the Directors' remuneration as it comprises a conditional element of compensation.

The bonus of A.P. van Tulder related to the performance year 2009, and will be paid in 2010.

M.J. Waeterschoot waived all his rights to the benefits from his service agreement.

The 2009 pension contributions as presented above concern the accrued pension costs for the financial year 2009, at 7% of base salary.

There are no outstanding loans or guarantees which have been granted or provided to or for the benefit of any Director by the Company or any of its subsidiaries.

Share option scheme

During the year the following conditionally awards were made under the Group's Share Option Scheme to the Directors:

	2009	2008
R. Koremans	20,000	20,000
A.P. van Tulder	15,000	15,000
Total Directors' share options	35,000	35,000

The exercise price of the conditionally awarded shares in 2009 is £2.79. The fair market value of each conditionally awarded share in 2009 was £1.86 (2008: £4.65), as determined by an outside consulting firm. The 2009 plan has a vesting period of three years, and the end of the exercise period is 24 April 2019 (2008 plan: 20 May 2018).

Shareholding of the Directors

The Directors hold the following interest in the Company as at 31 December 2009:

	2009	2008
M.J. Waeterschoot*	1,792,704	1,850,334
A.P. van Tulder	13,000	7,000
J.P.G. Goossens*	1,612,127	1,612,127
W.A.A. van Pottelberge	16,210	11,210

* The interest of these Directors includes the interests of their immediate families and any other persons connected with them, and of companies of which the Directors are a controlling shareholder.

38 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Related party transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties. Details of transactions between the Group and other related parties are disclosed below.

	2009	2008
Cryo-Save Group N.V. with related parties, sales transactions		
– Cryo-Save Arabia FZ-L.L.C.	332	264
Group entities with related parties, purchase transactions		
– Life-Sciences NV	279	1,017
– Phare NV	19	5
– M.J. Waeterschoot	–	(2)

The position at 31 December 2009 of Cryo-Save Arabia was €1.0 million receivable, which is fully provided for. The other related parties did not have any outstanding position at year end 2009.

Life-Sciences NV, Belgium, is a related party as it is a company controlled by M.J. Waeterschoot, a Director of the Company. The collaboration terminated as of 30 June 2009.

39 Operating lease arrangements

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non cancellable operating leases, which fall due as follows:

	Rent	Cars	Other	**2009**	2008
Less than one year	385	139	22	**546**	825
Between one and five years	460	142	29	**631**	448
More than five years	–	–	–	**–**	–
Total	**845**	**281**	**51**	**1,177**	1,273

40 Commitments and contingent liabilities

a. Rent

The Group has several property rent contracts for a total amount of €0.4 million per annum. These leases have an average life of between two and five years. All leases have been classified and measured as operating leases in accordance with IAS 17.

b. Guarantees

Cryo-Save has issued bank guarantees amounting to €0.1 million, which expire in 2018.

c. Distribution agreement

The Group has several (exclusive) distribution agreements with partners which sell the Group's services. The Group is committed to pay total amount of €0.9 million per annum and a variable fee if certain conditions are met.

d. Claims, legal and juridical proceedings

The Group is involved in legal cases and ongoing disputes or potential legal proceedings with some customers in the ordinary course of business. Liabilities and contingencies in connection with these matters are periodically assessed based upon the latest information available, usually with the assistance of lawyers. A liability is accrued only if an adverse outcome is more likely than not and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the proceeding or claim is disclosed as contingent liability, if material. The actual outcome of a proceeding or claim may differ from the estimated liability and consequently may affect the financial performance and position.

e. Contingent liabilities

According to the sale and purchase agreement with Salus Futura Ltd., Cryo-Save Group N.V. has as purchaser to pay a consideration on an annual basis to Salus Futura Ltd. during the period 1 January 2009 until 30 September 2012 if the number of samples stored per annum exceeds a minimum number of samples stored. The Group assessed the probability that the company has to pay a consideration during this period as not likely.

41 Audit fees

The aggregate fees of the Group's auditor, KPMG Accountants N.V. and its foreign offices, for professional services rendered in 2009 and 2008 are as follows:

	2009	2008
Audit fees	**255**	272
Audit-related fees	**245**	216
Tax fees	**106**	32
Total	**606**	520

Audit fees consist of fees for the audit of both consolidated financial statements and local statutory financial statements.

Audit-related fees and tax fees include fees in connection with the listing on NYSE Euronext at 22 October 2009.

The following fees relate to KPMG Accountants N.V., the Netherlands only: audit fees €166, audit related fees €223 and tax fees €80.

42 Additional information on financial instruments

The table below shows the carrying amount of the various financial instruments by category as from the balance sheet date, which equal the fair value.

	2009	2008
Loans and receivables		
Trade receivables, non-current assets	**1,026**	1,296
Trade receivables, current assets	**8,409**	7,014
Other receivables, non-current assets	**28**	8
Other receivables, current assets	**318**	1,015
	9,781	9,333
Cash and cash equivalents	**7,485**	4,697
Total assets, financial instruments	**17,266**	14,030
Other liabilities		
Borrowings, non-current liabilities	**3,795**	111
Other liabilities, non-current liabilities	**2,164**	5,830
Borrowings current liabilities	**180**	38
Trade payables, current liabilities	**1,733**	1,571
Other liabilities, current liabilities	**6,064**	3,481
Total liabilities, financial instruments	**13,936**	11,031

42 Additional information on financial instruments continued

Credit risk

Exposure to credit risk

Credit risk arises from receivables from customers and business partners. This credit risk is influenced mainly by the individual customer. If clients refuse or are unable to meet their contractual payment obligations, the Company may not have sufficient cash to satisfy its liabilities, and the growth rate and continued operations could be adversely impacted. The exposure to credit risk is monitored on an ongoing basis at local entity level. Credit risk on cash and cash equivalents are mitigated by a strict treasury policy, which includes that excess cash should be transferred to the holding in the Netherlands.

Generally, the maximum exposure to credit risk is represented by the carrying value of the financial assets in the balance sheet. Trade receivables are presented net of an allowance for impairment, which is based on individually significant exposures. The risk related to individual significant exposures, and a collective loss component that have been incurred but not yet identified. The risk related to individual significant exposures is measured and analyzed on a local level, mainly by means of an aging analysis. Next to the ageing analysis additional circumstances, like the recent credit crisis on the financial situation of customers are being evaluated continuously. When necessary, additional impairment allowances were recognized. The collective loss component allowance is determined based on historical data of payment.

Breakdown of current trade receivables by age

On the balance sheet current trade receivables are presented net of an allowance for impairment of €0.8 million (2008: €0.7 million). The aging of the current trade receivables and the impairment losses recognized for bad debts at reporting date were:

	Gross 2009	Impairment 2009	Gross 2008	Impairment 2008
Not overdue	**3,942**	**(0)**	3,565	(0)
Past due 0-30 days	**1,889**	**(0)**	884	(0)
Past due 30-120 days	**1,729**	**(98)**	2,281	(81)
Past due 120-180 days	**322**	**(94)**	249	(166)
Past due 180-360 days	**617**	**(178)**	266	(146)
More than one year	**631**	**(351)**	458	(296)
Total current trade receivables	**9,130**	**(721)**	7,703	(689)

The movement in the allowance for impairment in respect of current trade receivables during the year was as follows:

	2009	2008
Balance as at 1 January	**689**	101
Additions charged to income	**366**	588
Utilizations	**(334)**	–
Balance as at 31 December	**721**	689

The increase of the provision for doubtful debts is mainly caused by countries which are affected hard by the economic downturn, especially Spain and Hungary.

The maximum exposure to credit risk for current trade receivables at the reporting date by type of debtors was:

	Carrying amount 2009	2008
Business partners	**1,186**	1,889
Customers	**7,223**	5,125
Total current trade receivables	**8,409**	7,014

Two of the Group's business partners account for €0.5 million of the trade receivables' carrying amount as at 31 December 2009 (2008: €1.5 million).

The maximum exposure to credit risk for current trade receivables at the reporting date by geographic region was:

	Carrying amount 2009	2008
Domestic (The Netherlands)	**91**	73
Spain	**1,785**	1,561
Hungary	**1,991**	2,298
Italy	**1,578**	600
South Eastern Europe including Greece	**734**	1,135
Other	**2,230**	1,347
Total current trade receivables	**8,409**	7,014

Maximum credit risk exposure

The carrying amount of financial assets, amounting to €9.8 million (2008: €9.3 million) represents the maximum credit exposure.

The maximum exposure to credit risk for non-current trade receivables amounted to €1.0 million. These receivables are, according to the contractual payment scheme which allows customers to pay in annual installments, not expected to be realized within 12 months after the balance sheet date.

The maximum exposure to credit risk for current other receivables of €0.3 million mainly related to several small receivables.

42 Additional information on financial instruments continued

Liquidity risk

Exposure to liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The following table describes, as of 31 December 2009, our commitments and contractual obligations for the following five years and thereafter. Operating lease obligations are the future minimum rental payments required under the operating leases that have an initial or remaining non-cancellable lease term in excess of one year as of 31 December 2009.

Contractual maturities of financial liabilities 2009

	Carrying amount	Contractual cash flows	Less than 1 year	2-5 years	More than 5 years
Operational lease obligations	**1,177**	**(1,177)**	**(546)**	**(631)**	**–**
Financial lease obligations	**3,896**	**(5,882)**	**(393)**	**(1,537)**	**(3,952)**
Other financial lease obligations	**79**	**(79)**	**(21)**	**(58)**	**–**
Deferred considerations	**3,344**	**(3,487)**	**(1,264)**	**(2,223)**	**–**
Trade and other payables	**6,533**	**(6,533)**	**(6,533)**	**–**	**–**
Total	**15,029**	**(17,158)**	**(8,757)**	**(4,449)**	**(3,952)**

Contractual maturities of financial liabilities 2008

	Carrying amount	Contractual cash flows	Less than 1 year	2-5 years	More than 5 years
Operational lease obligations	1,273	(1,273)	(825)	(448)	–
Other financial lease obligations	149	(149)	(38)	(111)	–
Deferred considerations	6,636	(11,079)	(859)	(3,069)	(7,151)
Trade and other payables	4,193	(4,193)	(4,193)	–	–
Total	12,251	(16,694)	(5,915)	(3,628)	(7,151)

Market risk

Exposure to market risk

Market risk includes currency risk and interest rate risk and comprises the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments.

Currency risk

The subsidiaries of the Group are exposed to currency risk on its financial instruments if these are denominated in a different currency than their functional currency. For the Company significant currency risk is limited to current liabilities of its Hungarian subsidiary that are denominated in euro.

	2009 HUF	2008 HUF
Trade receivables	**–**	–
Trade payables	**2,407**	2,779
Net exposure	**2,407**	2,779

Sensitivity analysis

A 10% strengthening of the euro against the Hungarian Forint at 31 December 2009 would have decreased equity with €0.2 million (2008: €0.3 million). This analysis assumes that all other variables remain constant.

A 10% weakening of the euro against the Hungarian Forint at 31 December 2009 would have had the equal but opposite effect, on the basis that all other variables remain constant.

Interest rate risk

The Company has a financial lease obligation for 15 years against a fixed interest percentage of 5.5%. The change of a market rate will not affect the Company's results.

43 Events after the reporting period

Acquisition remaining 30% shares of Sejtbank and Cryo-Save CZ

At 25 February 2010, the Company acquired the remaining 30% minority shareholding of its Hungarian subsidiary, Sejtbank Egeszegugyi Szolgaltato Korlatolt Felelossegu Tarsasag ('Sejtbank') and Cryo-Save CZ s.r.o. (formerly Archiv Bunek s.r.o., for a total cash consideration of €1.4 million.

Company income statement
in thousands of euros

	2009	2008
Results subsidiaries after tax	**2,948**	3,098
Other income after tax	**(1,596)**	(530)
Profit for the year	**1,352**	2,568

Company balance sheet
in thousands of euros
before appropriation of results, at 31 December

	Notes	2009	2008
Assets			
Non-current assets			
Goodwill	45	**24,973**	25,947
Other intangible assets	46	**9,683**	10,901
Property, plant and equipment	47	**167**	196
Investments in subsidiaries	48	**4,476**	6,330
Receivables from subsidiaries	49	**8,346**	5,938
Total non-current assets		**47,645**	49,312
Receivables from subsidiaries	49	**4,625**	5,726
Accounts receivable	50	**124**	101
Cash and cash equivalents		**5,141**	93
Total current assets		**9,890**	5,920
Total assets		**57,535**	55,232
Equity			
Shareholders' equity	51	**43,807**	43,053
Liabilities			
Non-current liabilities	52	**4,571**	8,557
Current liabilities	53	**9,157**	3,622
Total equity and liabilities		**57,535**	55,232

in thousands of euros

As provided in section 402 of the Netherlands Civil Code, Book 2, the income statement of Cryo-Save Group N.V. includes only the after-tax results of subsidiaries and other income after tax, as Cryo-Save Group N.V.'s figures are included in the consolidated financial statements.

Accounting policies
The financial statements of Cryo-Save Group N.V. are prepared in accordance with the Netherlands Civil Code, Book 2, Title 9, with the application of the regulations of section 362.8 allowing the use of the same accounting policies as applied for the consolidated financial statements. These accounting policies are described in the Notes to the Consolidated Financial Statements.

Subsidiaries are valued using the equity method, applying the IFRS accounting policies endorsed by the European Union.

Any related party transactions between subsidiaries, equity accounted investees, investments, and with members of the Board of Directors and the ultimate parent company Cryo-Save Group N.V. are conducted on an at arm's length basis with terms comparable to transactions with third parties.

44 Employee benefit expenses

	2009	2008
Salaries and wages	**1,163**	1,054
Social security charges	**146**	111
Cost of defined contribution pension plans	**47**	33
Share-based payments	**77**	63
Other personnel expenses	**27**	52
Total employee benefit expenses	**1,460**	1,313

The average number of employees, expressed in full-time equivalents, in 2009 was 16 (2008: 15).

45 Goodwill

	2009	2008
Balance at 1 January	**25,947**	1,750
Translation differences	**(109)**	–
Acquisitions	**2,028**	25,391
Deferred considerations adjustments	**(2,893)**	–
Reclassification to intangible assets	**–**	(1,194)
Balance at 31 December	**24,973**	25,947

Goodwill increased due to the Salus Futura acquisition (€0.6 million) and the post balance sheet date acquisition of the remaining 30% shareholding of Sejtbank and Cryo-Save CZ (€1.4 million).

The deferred considerations adjustment of goodwill of €2.9 million mainly related to the cancellation of the earn out liability to former shareholders of Sejtbank and Cryo-Save CZ, following the early 2010 acquisition of the 30% minority shareholding.

46 Other intangible assets

	2009	2008
Balance at 1 January	**10,901**	–
Translation differences	**(95)**	
Additions	**100**	10,784
Reclassification from goodwill	**–**	1,194
Amortization	**(1,223)**	(1,077)
Balance at 31 December	**9,683**	10,901

47 Property, plant and equipment

	2009	2008
Balance at 1 January	**196**	270
Additions	**50**	18
Disposals at cost	**(13)**	(54)
Depreciation on disposals	**(3)**	23
Depreciation	**(63)**	(61)
Balance at 31 December	**167**	196

48 Investments in subsidiaries

	2009	2008
Equity value of subsidiaries at 1 January	**6,330**	9,296
Acquisitions	**(253)**	(1,425)
Capital contributions	**1,575**	2,187
Dividends paid	**(6,096)**	(6,398)
Share of profit of subsidiaries	**2,948**	3,098
Exchange differences	**(28)**	(428)
Balance at 31 December	**4,476**	6,330

See note 22 for the subsidiaries directly held by Cryo-Save Group N.V.

Acquisitions related to the net equity value of Salus Futura Ltd., United Kingdom. Capital contributions related to the contribution of capital to several subsidiaries to strengthen their capital.

49 Receivables from subsidiaries

	2009	2008
Receivables from subsidiaries, non-current assets	**8,346**	5,938
Receivables from subsidiaries, current assets	**4,625**	5,726
Total receivables from subsidiaries	**12,971**	11,664

50 Accounts receivable

	2009	2008
Prepayments	**38**	16
Current tax assets	**59**	–
Other receivables	**27**	85
Total accounts receivable	**124**	101

in thousands of euros

51 Shareholders' equity

	Issued share capital	Share premium reserve	Legal reserve	Revaluation reserve	Translation reserve	Treasury shares	Retained earnings	Undistributed profit	Shareholders' equity
At 1 January 2008	964	38,178	58	–	(20)	(435)	293	3,883	42,921
Exchange differences on translating foreign operations					(428)				(428)
Other comprehensive income					(428)				(428)
Profit for the year								2,568	2,568
Comprehensive income for the year					(428)			2,568	2,140
Appropriation of profit prior year							3,883	(3,883)	0
Share-based payments							211		211
Repurchased shares						(3,062)			(3,062)
Acquisitions				843					843
Utilization of revaluation reserve				(74)			74		0
Other movements			50				(50)		0
At 31 December 2008	964	38,178	108	769	(448)	(3,497)	4,411	2,568	43,053
Exchange differences on translating foreign operations					**(235)**				**(235)**
Other comprehensive income					**(235)**				**(235)**
Profit for the year								**1,352**	**1,352**
Comprehensive income for the year					**(235)**			**1,352**	**1,117**
Appropriation of profit prior year							**2,568**	**(2,568)**	**0**
Dividend distributed							**(462)**		**(462)**
Share-based payments							**266**		**266**
Repurchased shares						**(167)**			**(167)**
Utilization of revaluation reserve				**(100)**			**100**		**0**
Other movements			**26**				**(26)**		**0**
At 31 December 2009	**964**	**38,178**	**134**	**669**	**(683)**	**(3,664)**	**6,857**	**1,352**	**43,807**

in thousands of euros

52 Non-current liabilities

	2009	2008
Deferred tax liabilities	**2,491**	2,780
Deferred considerations	**2,080**	5,777
Total non-current liabilities	**4,571**	8,557

Deferred tax liabilities

Balance at 1 January 2008	–
Additions	3,054
Deductions	(274)
Balance at 31 December 2008	2,780
Additions	26
Deductions	(315)
Balance at 31 December 2009	**2,491**

Deferred considerations

Future payments for the deferred considerations are as follows:

		2011	2012
Deferred considerations	**2,080**	1,151	929
Total	**2,080**	1,151	929

53 Current liabilities

	2009	2008
Trade payables	**68**	101
Debt to subsidiaries	**5,755**	1,779
Deferred consideration	**1,264**	859
Current tax liabilities	**58**	79
Other liabilities	**2,012**	804
Total current liabilities	**9,157**	3,622

The current other liabilities includes €1.4 million consideration for the purchase of the remaining 30% of the shares of Sejtbank and Cryo-Save CZ, at 25 February 2010.

54 Related party transactions

Cryo-Save Group N.V related parties comprise subsidiaries, equity accounted investees, the Executive and Non-Executive Directors and companies controlled by Directors.

The list of subsidiaries and equity accounted investees is disclosed in notes 22 and 23 of this annual report.

Subsidiaries Cryo-Save Group N.V.

Transactions between Cryo-Save Group N.V. and its subsidiaries in 2009 concerned an amount of €2.7 million in management fees (2008: €2.4 million), €0.2 million in net finance income (2008: €0.2 million), €0.6 million in investments (2008: €1.2 million), €1.6 million in capital contributions (2008: €2.2 million).

Cryo-Save Group N.V. has at 31 December 2009 amounts due from subsidiaries of €13.0 million (2008: €11.7 million). Further, Cryo-Save Group N.V. has at 31 December 2009 amounts due to subsidiaries of €5.8 million (2008:€1.8 million).

Executive and Non-Executive Directors

In 2009 Executive and Non-Executive Directors acquired 61,220 shares of Cryo-Save Group N.V. (2008: 1,041,700 shares).

Equity accounted investees and companies controlled by Directors

In 2009, there were no related party transactions between Cryo-Save Group N.V. and its equity accounted investees and companies controlled by Directors.

55 Commitments and contingent liabilities

Rent

Cryo-Save Group N.V. has a property rent contract for a total amount of €0.1 million per annum. This contract has been entered into for a period of one year, ending on 31 May 2011.

M.J. Waeterschoot
A.P. van Tulder
J.P.G. Goossens
W.A.A. van Pottelberge
19 March 2010

Other information on the financial statements

Proposed appropriation of profit
The appropriation of profit is governed by Article 25 of the company's Articles of Association. The Company plans to propose to the Annual General Meeting of Shareholders on 19 May 2010 a dividend of 6 euro cent per share for the year ended 31 December 2009 (2008 restated: 5 euro cent), which will be payable at 17 June 2010, resulting in the following proposal of the appropriation of profit:

	2009
Net result attributable to the shareholders	**1,352**
Dividend	**(578)**
Addition to retained earnings	**774**

Article 25 of the Articles of Association

1. The Board of Directors will decide which part of the profits will be reserved. The remaining profits of the Company shall be at the disposal of the General Meeting.

2. The Company may distribute profits only if and to the extent that its equity capital is greater than the aggregate of the paid and called-up part of the issued capital and the reserves which must be maintained by law.

3. Dividends may be paid only after adoption of the Annual Accounts which show that they are justified.

4. For the purposes of determining the allocation of profits any Shares or depository receipts issued therefore held by the Company and any Shares or depository receipts issued therefore of which the Company has usufruct shall not be taken into account.

5. The General Meeting may resolve to declare interim dividends following a proposal by the Board of Directors. A resolution to declare an interim dividend from the profits realized in the current financial year may also be passed by the Board of Directors. Dividend payments as referred to in this paragraph may be made only if the provision in paragraph 2 has been met as evidenced by an interim statement of assets and liabilities as referred to in Section 105 subsection 4 of Book 2.

6. Unless the General Meeting sets a different term for that purpose, dividends shall be made payable within thirty days after they are declared.

7. Following a proposal by the Board of Directors the General Meeting may direct that any dividend is wholly or partly paid in kind.

8. Any deficit may be set off against the undistributable reserves only if and to the extent that doing so is permitted by law.

9. If the aggregate of the paid and called-up part of the capital and the undistributable reserves is smaller than the minimum capital last set by law, the Company must maintain a reserve equal to the difference between these amounts.

Events after the reporting period
For information on events after the reporting period, please see 'other disclosures' in the consolidated financial statements.

Other information on the financial statements

Report of the independent auditor to the Shareholders of Cryo-Save Group N.V.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2009 of Cryo-Save Group N.V., Zutphen. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2009, the consolidated statement of comprehensive income, changes in equity, and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2009, the company statement of income for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Cryo-Save Group N.V. as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Cryo-Save Group N.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

KPMG Accountants N.V.
J.G.R. Wilmink RA
Arnhem, the Netherlands
19 March 2010

Information for shareholders

Shareholders exceeding 3%

M.J. Waeterschoot*	19.45%
J.P.G. Goossens*	17.49%
Schroder Investment Management Limited	10.79%
The Equity Partnership Investment Company PLC	4.61%
Fidelity Investments	4.52%
F. Ingels	3.47%

* The interest of these shareholders, and Directors of the Company, includes the interests of their immediate families and any other persons connected with them, and of companies of which the shareholders are a controlling shareholder.

The information regarding shareholders exceeding 3% is based on disclosures the Company received from the respective shareholders.

Share information

Cryo-Save Group N.V. is both listed on AIM London Stock Exchange and NYSE Amsterdam, The Netherlands.

AIM London Stock Exchange, listed period:
1 January 2009 – 31 December 2009

TIDM	CRYO
Quotation 31 December 2009	£4.50
Quotation 31 December 2008	£1.78
Highest quotation 2009	£6.18
Lowest quotation 2009	£1.53
Average daily trading volume 2009	24,356

NYSE Amsterdam, listed period:
22 October 2009 – 31 December 2009

TIDM	CRYO
Quotation 31 December 2009	€4.70
Highest quotation 2009	€7.49
Lowest quotation 2009	€4.70
Average daily trading volume 2009	9,916

Advisers

Advisers to the Company
Nominated adviser and broker
Daniel Stewart & Company
Becket House
36 Old Jewry
London EC2R 8DD
United Kingdom

Financial advisor
Kempen & Co NV
Beethovenstraat 300
1077 WZ Amsterdam
The Netherlands

Auditors
KPMG Accountants N.V.
PO Box 30133
6803 AC Arnhem
The Netherlands

Financial Public Relations
College Hill
The Registry
3 Royal Mint Court
London EC3N 4QN

Smink, Van der Ploeg & Jongsma
Dorpsstraat 28
1182 JD Amstelveen
The Netherlands

Solicitors
(as to English law)
Simmons & Simmons
Citypoint
One Ropemaker Street
London EC2Y 9SS
United Kingdom

Solicitors
(as to Dutch law)
Simmons & Simmons
PO Box 79023
1070 NB Amsterdam
The Netherlands

Registrars
Capita Registrars (Jersey) Limited
Victoria Chambers
Liberation Square
1-3 The Esplanade
St Helier JE4 0FF
Jersey

Depository
Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham BR3 4TU
United Kingdom

About this report
This annual report is also available at
www.cryo-savegroup.com

Contact information
Cryo-Save Group N.V.
IJsselkade 8
7201 HB Zutphen
The Netherlands
+31 (0)575 548998

For more information on Cryo-Save visit
www.cryo-savegroup.com, or contact Investor Relations
at ir@cryo-save.com

This report has been printed in the UK, our printers are Environmental Management System ISO 14001 accredited and Forest Stewardship Council (FSC) chain of custody certified. All inks used are vegetable based. This paper is environmentally-friendly ECF (elemental chlorine free), wood free with a high content of selected pre-consumer recycled material. The mill is fully FSC certified. The paper is also completely bio-degradable and recyclable.

Designed and produced by The College www.thecollege.uk.com

Cryo-Save
Save for Life

www.cryo-savegroup.com