Press Release

Zutphen, The Netherlands, 20 August 2013

Cryo-Save Group N.V. – Swing back to profitability by year-end

Turnaround concept "Fit for Future" concluded, implementation already started

Cryo-Save Group N.V. (Euronext: CRYO, 'Cryo-Save', or 'the Group'), the leading international stem cell storage company and the largest family stem cell bank in Europe, has published its financial results for the six months ended 30 June 2013.

The economy in Cryo-Save's main markets remained depressed during the first half of 2013. This has significantly stalled new client acquisitions. Cost savings as announced in 2012 materialized but were not sufficient to offset the bottom line impact of the slowdown of the revenues. In addition, gross profit margin was under pressure and declined by increasing collection and transport cost.

Significantly lower revenues (-16%) and gross profit margin pressure resulted in a gross profit of €9.8m (1HY 2012: €12.5m). The impact of the 2012 cost savings programs (€2.0m) was not sufficient to offset this decline in gross profit. In addition, the operating expenses were impacted by severances (€0.4m) and by additional legal and consulting expenses (€0.3m). As a result EBITDA ended at -€0.1m (1 HY 2012: €0.2m, including €0.8m restructuring expenses). The total number of employees, denominated in full time equivalents, decreased from 259 at the end of December 2012 to 226 at 30 June 2013.

Ultimo 2012 Cryo-Save started a turnaround to regain profitable growth. During the first half of 2013 a renowned strategy consultant company was engaged for an identification of further measures to restore profitability as well as an in-depth analysis of the Group's strategic objectives for the mid to longer term. This analysis reconfirms that Cryo-Save is active in a market that holds a strong future promise as the conditions treatable with stem cells as well as clinical trial activities are increasing continuously. The organisational structure will be further adjusted to the appropriate scale and the effectiveness of the Sales & Marketing operations will be further optimised.

The group will swing back to profitability by year-end based on driving awareness aimed at the consumer, improving the effectiveness of all sales channels in combination with strict cost saving programs, improved working capital management and disposal of loss-making foreign operations. The turnaround program will lead to a sustainable profitable future and a healthy upside from the next wave of growth of stem cell therapy. In the mid-term, management will develop the company towards a multi-service provider in order to maintain its leadership in this industry.

The Group reached agreement to sell its property in Lyon in August 2013. The proceeds of the sale (€2.3m) will be added to the cash reserves, since the property was debt free. The Group recorded an additional non-cash impairment charge of €0.7m.

The Group had a solid cash position of €5.3 million as at 30 June 2013.

Evi Mattil, Chief Executive Officer a/i, commented:

"This has been a challenging period for Cryo-Save, with no clear signs of economic recovery in our key markets.

"Our turnaround plan is already underway. We are focussing our strategy to concentrate more on selling direct to the consumer, are scaling down our cost base and optimizing our commercial operations to capture the growth opportunities that we believe the market still holds.

"We expect the swift action we have taken to bring the Group back to profitability by the end of the year".

Financial highlights

- Revenue: €15.9 million (1 HY 2012: €19.0 million)
- Underlying* operating expenses before depreciation, amortisation and impairments: €9.6 million (1 HY 2012: €11.5 million). Decrease mainly due to:
    - Impact 2012 cost saving program (€2.0 million)
    - Increase in legal and consulting cost expenses (€0.3 million) during the second quarter of 2013
- EBITDA**: -€0.1 million (1 HY 2012: €0.2 million)
- Underlying EBITDA: €0.2 million (1 HY 2012: €1.0 million)
- EBITA***: -€1.6 million (1 HY 2012: €-2.0 million)
- Underlying EBITA: -€0.6m (1 HY 2012: €30)
- Operating result: -€2.3 million (1 HY 2012: -€2.8 million)
- Underlying operating result: -€1.3 million (1 HY 2012: -€0.8 million)
- Result before taxation: -€2.5 million (1 HY 2012: -€3.0 million)
- Underlying result before taxation: -€1.5 million (1HY 2012: -€1.0 million)
- Net result: -€2.5 million (1 HY 2012: -€3.2 million)
- Basic earnings per share -27.1 euro cents (1 HY 2012: -34.1 cents)
- Net cash from operating activities -€1.0 million (1 HY 2012: € 0.8 million)
- Cash position of €5.3 million as at 30 June 2013

* Underlying results excludes non-recurring restructuring expenses and impairment loss

** EBITDA is defined as Earnings Before Interest, Taxation, Depreciation, Amortization and impairments

*** EBITA is defined as Earnings Before Interest, Taxation and Amortization of identified intangible assets

Operational highlights

- 15,200 new samples stored in 1 HY 2013 (1 HY 2012: 18,000). Of these, 8,900 were new cord blood samples and 6,300 new cord tissue samples
- Over 250,000 samples stored in total
- 80% of new customers opt for combined service of cord blood and cord tissue storage
- A stem cell transplantation in Spain to treat Blackfan-Diamond Anaemia. It is the first time in Spain that this congenital anaemia, classified as a rare disease, has been treated using cord blood stem cells. These umbilical cord blood stem cells were stored with Cryo-Save. The transplantation was successful, and the 4 year-old child is expected to make a normal recovery. This may herald a radical improvement in the child's quality of life, as since his birth he has required regular red blood cell transfusions
- Non-Executive Director Mr Walter van Pottelberge was appointed Chairman of the Board replacing Mr Johan Goossens, who resigned as Non-Executive Director
- Mr Arnoud van Tulder retired as Chief Executive Officer for personal reasons. Ms Evi Mattil, Chief Commercial Officer, took over on an ad interim basis the functions of Arnoud van Tulder

Other

- Mr Johan Goossens, former Chairman, sold 900,000 ordinary shares of Euro 0.10 ('Ordinary Shares') via a block-trade to Salveo Holding SA on 7 May 2013 and at the same day Mr Marc Waeterschoot, co-founder and former Board Member of Cryo-Save, also via a block-trade sold 1,460,000 Ordinary Shares to Salveo Holding SA (Salveo), both at a price of €1.70
- Mr Frédéric Amar, owner and CEO of Salveo, Cryo-Save's 27% minority shareholder, has sent a request to Cryo-Save to convene an extraordinary general meeting of shareholders (EGM). Mr Amar stated not to be interested in making a public offer for the Company's shares. Given the proposed change of policy, the Group has exercised its right under the Dutch Corporate Governance Code to invoke the 180-day response time as the proposals by Salveo would entail a strategic shift for the company. The response time shall be used for further deliberation and constructive consultation where practicable with Mr Amar and to search for alternatives. As a consequence of the invocation of the 180-day response time, the EGM shall be held no later than 20 November 2013
- In July, Salveo convened an EGM for the 9th of September. Cryo-Save believes that Salveo's decision to breach the response time and to convene an EGM violates various core principles of Dutch corporate law and therefore has taken legal action against Salveo. Meanwhile, the company is exploring alternatives, as prescribed by the Corporate Governance Code and has retained the independent corporate finance firm Holland Corporate Finance to support this process

Outlook

- Cryo-Save is Europe's largest and dominant stem cell bank with a sustainable high market share
- The company is active in a market that holds an increasing future promise with conditions treatable with stem cells and the number of clinical trials being performed growing
- 2013 is a turnaround year in which Cryo-Save expects to swing back to profit by the end of the year due to:
    - Cost cutting and working capital optimisation
    - Disposal of loss-making foreign operations
    - Top line improvements and capability enhancement
- Cryo-Save ensures a promising future as set out in the Fit for Future turnaround concept by:
    - Enlarging its scale by strengthening its sales and marketing capabilities to tap into the room for growth the market holds
    - Leveraging opportunities to develop into a multi-product and service company

Operational review

Growth in uptake new clients combined storage

The relative uptake by new customers of the combined service of storing the umbilical cord tissue and stem cells from umbilical cord blood grew to 80% during the first half of 2013. The Group stored 6,300 new cord tissue samples.

Cryo-Save facilitates the first transplantation in Spain to treat BlackFan-Diamond Anaemia thanks to the Cost-free donation program

A 4-year-old boy was treated for Blackfan-Diamond anaemia (BDA) with a stem cell transplant from his sister's umbilical cord blood. The transplant was performed on April 25 at the Hospital del Niño Jesús in Madrid, one of the most important paediatric hospitals in Spain. It is the first transplant performed in this country to treat BDA with a cryo-preserved sample from a family bank, in this case, the leading Family Stem Cell Bank in Spain, Crio-Cord, a subsidiary of the Cryo-Save Group. This treatment was provided thanks to the Cryo-Save Cost Free Donation Program, which provides free storage of the umbilical cord blood and cord tissue stem cells for families who have a family member diagnosed with a disease treatable with stem cells.
The transplantation was successful, and the child is expected to make a normal recovery. This pioneering treatment in Spain may herald a radical improvement in the child's quality of life, as since birth he has required regular red blood cell transfusions.

New freezing procedure increases availability of cord blood stem cell transplants for patients

A large enough number of stem cells are needed to ensure the success of a cord blood transplant. However, the quantity of stem cells isolated from umbilical cord blood is not always sufficient to meet that requirement. Researchers from the Etablissement Français du Sang, Aquitaine-Limousin (France) have established a method to multiply cord blood stem cells to required quantity levels. In the current study Dr. Ivanovic and co-workers (Etablissement Français du Sang Aquitaine-Limousin) and a team of Cryo-Save researchers have demonstrated that these cultured stem cells can be frozen and thawed without negatively affecting the quality of the stem cells. An important step towards successful stem cell transplants in patients for whom too few stem cells are available.

Geographical expansion

Cryo-Save further processed negotiations with selected third party agents to open markets in Turkey and in Lithuania. These exclusive business developments will be marketed by independent agents under the Cryo-Save brand name in their territory. The agents act as independent contractors, and nothing in the agreements shall be deemed to constitute a joint venture or employer/employee arrangement. The independent agent will receive a commission for each successfully stored sample of a customer who has paid the full amount for the Cryo-Save service to Cryo-Save.

Property Lyon

Cryo-Save reached a binding agreement, subject to certain conditions customary for this type of transaction, with Bio Elpida and Bactup to sell its property in Lyon for a price of €1,430 per m^2 on 2 August 2013. The formal transaction is expected to close in September 2013.

Industry overview

Stem cells in general, and specifically stem cells derived from umbilical cord blood and umbilical cord tissue have scientifically and clinically demonstrated their capacity in a therapeutical setting, thus allowing for an implementation of numerous clinical protocols.

Besides being used in therapies of haematological and metabolic disorders, progress has been demonstrated in the fields of regenerative medicine, cellular therapy as well as tissue engineering. A very important advancement has also been made in umbilical cord blood and cord tissue derived stem cell expansion techniques, thus allowing for a potentially broader application in therapies utilising these samples.

Scientific publications[1] showed the following promising results during the first half of 2013:

- Successful use of umbilical cord blood derived stem cells for treating adults with acute leukaemia (January 2013)
- Successful autologous umbilical cord blood transplantation in a child with acquired severe aplastic anaemia (March 2013)
- A successful and improved engraftment of umbilical cord blood demonstrated, when co-transplanted with umbilical cord tissue derived mesenchymal stem cells (March 2013)
- Umbilical cord derived mesenchymal stem cells demonstrate positive long-term results in a pre-clinical neonatal model of hyperoxic lung injury (March 2013)
- Successful transplantation of a sibling cord blood sample for treatment of a rare haematological disorder (Blackfan-Diamond Anaemia) (April 2013)
- A girl born without a windpipe receives a tissue-engineered trachea transplant manufactured using autologous stem cells (May 2013)
- Umbilical cord blood stem cells help angiogenesis in spinal cord injury, enhancing recovery (May 2013)
- Umbilical cord blood derived stem cells demonstrated as a viable option for genetic therapy of Diabetes Mellitus Type 1 (May 2013)

- Nanotechnology proves to be a valuable asset in umbilical cord blood derived stem cell expansion (June 2013)
- Umbilical cord blood demonstrates the ability to form bone tissue with possible bone regeneration applications (June 2013)
- Teenager diagnosed with Acute Lymphocytic Leukaemia successfully treated using a double umbilical cord blood transplant (June 2013)

Financial review

Revenue

Group revenue decreased by €3.1 million to €15.9 million, largely due to declining volumes in its main markets in Spain, Italy and Hungary. Price increases and enhanced services only partly offset the negative effect of the volume decline.

The number of new cord blood samples stored in the first half of 2013 amounted to 8,900 (2012: 11,100), whilst the number of new cord tissue samples stored was 6,300 (2012: 6,900), resulting in 15,200 new samples stored in 2013 (2012: 18,000).
The Group achieved the milestone of having more than 250,000 samples stored during the first half of 2013.

Geographical information
€ in millions

For the six months ended 30 June	**Revenue**		**Non-current assets**	
	1 HY 2013	1 HY 2012	**2013**	2012
Spain	**4.3**	5.9	**0.1**	0.1
Italy	**1.7**	2.6	**0.1**	0.1
Hungary	**1.5**	2.0	**0.7**	0.7
Other countries	**8.4**	8.5	**30.3**	46.1
Total	**15.9**	19.0	**31.2**	47.0

Gross profit and gross margin

Gross profit decreased to €9.8 million (2012: €12.5 million). The gross profit margin decreased by 4.3 percentage point to 61.5%. Almost half of this decrease is attributable to an inventory devaluation as a result of new lower prices concerning consumables. This will positively impact the gross profit margin going forward. The remainder relates to increased demand for higher reimbursements of the collection of the umbilical cord blood and cord tissue in the hospitals, and cost increases related to the transport of the samples to the processing and storage facilities.

Operating expenses

The underlying operating expenses are adjusted for non-recurring cost concerning:

- Non-cash impairment of assets: €0.7 million (1 HY 2012: €1.2 million)
- Severance cost: €0.4 million (1 HY 2012: €0.3 million)
- Termination of contracts with service providers and distributors: €0 million (1 HY 2012: €0.4 million)
- Other: -€0.1 million (1 HY 2012: €0.1 million)

Underlying operating expenses, excluding depreciation, amortisation and impairments *€ in millions*	**1 HY 2013**	1 HY 2012
Underlying marketing and sales expenses	**4.7**	6.5
Underlying research and development expenses	**0.2**	0.2
Underlying general and administrative expenses	**4.7**	4.8
Total	**9.6**	11.5

Underlying operating expenses decreased by €1.9 million. As a result of the 2012 cost saving program the operating expenses decreased by €2.0 million. These savings were partly offset by additional legal and consulting expenses (€0.3m).

Underlying EBITA and operating result

Underlying EBITA amounted to -€0.6 million (1 HY 2012: €30). Volume decline affected the gross profit by €2.0 million, whilst increased cost of sales further affected the gross profit by €0.7 million. Finally, lower underlying operational expenses (€1.9 million) impacted the underlying EBITA.

Underlying depreciation was €0.6 million (1 HY 2012: €0.7 million), and underlying amortisation including the amortisation of identified intangible assets as a result of acquisitions amounted to €0.8 million (1 HY 2012: €1.0 million).

Underlying operating result amounted to -€1.3 million (1 HY 2012: -€0.8 million).

Net finance cost/income

Net finance income of €0.2 million remained at a similar level compared to the first half of 2012 (€0.2 million).

Underlying result before taxation

The underlying result before taxation amounted to -€1.5 million (1 HY 2012: -€1.0 million).

Taxation

The underlying effective tax rate (ETR) amounted to 3.0% (1HY 2012: 18.0%), mainly caused by operational losses in some countries for which no deferred tax asset was capitalized.

Underlying result for the period

The underlying result after taxation was -€1.5 million (1HY 2012: -€1.2 million).

Cash flow

Net cash from operating activities was -€1.0 million (1 HY 2012: €0.8 million). The decrease was mainly a result of an increase of the working capital.

Investments in property, plant and equipment of €0.2 million mainly relate to laboratory equipment and replacement investments. Investments in intangible assets (€0.2 million) related to software.

As at 30 June 2013, Cryo-Save had a cash position of €5.3 million (31 December 2012: €7.1 million).

Related party transactions

There were no material related party transactions during the first half of 2013.

Principal risks and uncertainties

Pages 29-32 of Cryo-Save's Annual report 2012 include an extensive overview of the Group's principal risks and uncertainties, which are also applicable for the remaining six months of 2013.

Declaration of the Chief Executive Officer a/i

The Chief Executive Officer a/i declares that, as far as she is are aware and to the best of her knowledge, the financial statements in this half year report, made up according to the applicable standards for financial statements, give a true and fair view of the equity, financial position and the results of the Group and its consolidated companies. The Chief Executive Officer a/i further declares that this report to the shareholders gives a true and fair view on the information that has to be contained therein.

Zutphen, the Netherlands, 19 August 2013

Evi Mattil, Chief Commercial Officer and Chief Executive Officer a/i

Condensed consolidated interim financial statements

These condensed consolidated interim financial statements are unaudited.

Condensed consolidated statement of income
in thousands of euro

For the six months ended 30 June

	Note	2013	2012
Revenue	9	**15,873**	18,982
Cost of sales		**(6,113)**	(6,501)
Gross profit		**9,760**	12,481
Marketing and sales expenses			
- Other marketing and sales expenses		**4,673**	6,480
- Non-recurring restructuring expenses		**120**	247
Research and development expenses		**151**	152
General and administrative expenses	10		
- Other general and administrative expenses		**6,233**	6,616
- Non-recurring restructuring expenses		**116**	578
- Non-recurring impairment loss		**741**	1,190
Total operating expenses		**12,034**	15,263
Operating result		**(2,274)**	(2,782)
Finance income		**156**	175
Finance costs		**(363)**	(386)
Net finance (costs)/income		**(207)**	(211)
Results relating to equity-accounted investees		**0**	0
Result before taxation		**(2,481)**	(2,993)
Income tax expense	11	**45**	180
Result for the period		**(2,526)**	(3,173)
Attributable to:			
- Equity holders of the Company		**(2,526)**	(3,173)
- Non-controlling interest		**-**	-
Result for the period		**(2,526)**	(3,173)
Earnings per share (in euro cents)	12		
- Basic		**(27.1)**	(34.1)
- Diluted		**(27.1)**	(34.0)

Condensed consolidated statement of comprehensive income
in thousands of euro

For the six months ended 30 June

	2013	2012
Result for the period	**(2,526)**	(3,173)
Other comprehensive income		
Foreign currency translation differences	**(36)**	215
Other comprehensive income for the period	**(36)**	215
Total comprehensive income for the period	**(2,562)**	(2,958)
Attributable to:		
- Equity holders of the Company	**(2,562)**	(2,958)
- Non-controlling interest	**-**	-
Total comprehensive income for the period	**(2,562)**	(2,958)

Condensed consolidated statement of financial position

in thousands of euro, before allocation of profit	Note	30 June 2013	31 December 2012
Intangible assets		**21,405**	22,169
Property, plant and equipment		**9,750**	10,167
Investments in equity accounted investees		**0**	0
Deferred tax assets		**571**	617
Trade and other receivables		**1,309**	1,224
Total non-current assets		**33,035**	34,177
Inventories		**921**	1,475
Trade and other receivables		**8,442**	7,323
Assets classified as held for sale		**2,279**	3,020
Current tax assets		**1,974**	2,538
Cash and cash equivalents		**5,274**	7,088
Total current assets		**18,890**	21,444
Total assets		**51,925**	55,621
Equity	13		
Issued share capital		**973**	973
Share premium reserve		**38,169**	38,169
Revaluation reserve		**324**	374
Legal reserve		**185**	185
Translation reserve		**(1,446)**	(1,411)
Treasury shares		**(2,708)**	(2,423)
Retained earnings		**(8,454)**	(6,037)
Equity attributable to equity holders of the Company		**27,043**	29,830
Non-controlling interest		**-**	-
Total equity		**27,043**	29,830
Liabilities			
Borrowings		**3,107**	3,212
Deferred revenue		**11,199**	10,770
Deferred considerations		**-**	512
Deferred tax liabilities		**1,720**	1,861
Other liabilities		**136**	126
Total non-current liabilities		**16,162**	16,481
Borrowings		**198**	201
Trade and other payables		**6,417**	6,977
Deferred revenue		**835**	799
Deferred considerations		**523**	322
Current tax liabilities		**747**	1,011
Total current liabilities		**8,720**	9,310
Total liabilities		**24,882**	25,791
Total equity and liabilities		**51,925**	55,621

Condensed consolidated statement of changes in equity
in thousands of euro

For the six months ended 30 June 2013

	Issued share capital	Treasury shares	Other reserves	Share-holders' equity	Non-controlling interest	Total equity
At 1 January 2013	**973**	**(2,423)**	**31,280**	**29,830**	**-**	**29,830**
Exchange differences on translating foreign operations	**-**	**-**	**(36)**	**(36)**	**-**	**(36)**
Other comprehensive income	**-**	**-**	**(36)**	**(36)**	**-**	**(36)**
Result for the period	**-**	**-**	**(2,526)**	**(2,526)**		**(2,526)**
Total comprehensive income	**-**	**-**	**(2,562)**	**(2,562)**	**-**	**(2,562)**
Transactions with owners:						
* Share-based payments	**-**	**-**	**60**	**60**	**-**	**60**
* Dividend distributed	**-**	**-**	**-**	**-**	**-**	**-**
* Repurchased shares	**-**	**(285)**	**-**	**(285)**	**-**	**(285)**
Total transactions with equity holders of the Company	**-**	**(285)**	**60**	**(225)**	**-**	**(225)**
At 30 June 2013	**973**	**(2,708)**	**28,778**	**27,043**	**-**	**27,043**

For the six months ended 30 June 2012

	Issued share capital	Treasury shares	Other reserves	Share-holders' equity	Non-controlling interest	Total equity
At 1 January 2012	**968**	**(2,423)**	**48,675**	**47,220**	**-**	**47,220**
Exchange differences on translating foreign operations	-	-	215	215	-	215
Other comprehensive income	-	-	215	215	-	215
Profit for the period	-	-	(3,173)	(3,173)		(3,173)
Total comprehensive income	-		(2,958)	(2,958)	-	(2,958)
Transactions with owners:						
* Share-based payments	-	-	64	64	-	64
* Dividend distributed	5	-	(569)	(564)	-	(564)
* Repurchased shares	-	-	-	-	-	-
Total transactions with equity holders of the Company	**5**	-	(505)	(500)	-	(500)
At 30 June 2012	**973**	**(2,423)**	**45,212**	**43,762**	**-**	**43,762**

Condensed consolidated statement of cash flows (in thousands of euro)

For the six months ended 30 June	**2013**	**2012**
Cash flows from operating activities		
Result for the period	**(2,526)**	(3,173)
Adjustments for:		
Income tax expense	**45**	180
Finance costs	**363**	386
Finance income	**(156)**	(175)
Depreciation, amortisation and impairments	**1,467**	1,792
Impairment loss on tangible assets	**741**	1,140
Equity settled share-based payment transactions	**60**	64
	(6)	214
Movements in working capital		
(Increase)/decrease in (non)current trade and other receivables	**(1,204)**	(363)
(Increase)/decrease in inventories	**554**	(31)
(Increase)/decrease current tax assets	**570**	314
Increase/(decrease) in (non)current liabilities	**(336)**	1,196
Increase/(decrease) in current tax liabilities	**78**	(158)
Net cash from operations	**(344)**	1,172
Interest paid	**(352)**	(356)
Interest received	**156**	175
Income taxes paid	**(488)**	(150)
Net cash from operating activities	**(1,028)**	841
Cash flows from investing activities		
Purchase of property, plant and equipment	**(249)**	(1,052)
Purchase of intangible assets	**(187)**	(185)
Disposals of non-current assets	**43**	83
Net cash (used in)/generated by investing activities	**(393)**	(1,154)
Cash flows from financing activities		
Repurchase of own shares	**(285)**	-
Dividend distributed	**-**	(564)
Redemption of borrowings	**(108)**	(90)
Net cash generated by/(used in) financing activities	**(393)**	(654)
Net increase/(decrease) in cash and cash equivalents	**(1,814)**	(967)
Cash and cash equivalents at 1 January	**7,088**	7,024
Exchange differences	**0**	0
Cash and cash equivalents at 30 June	**5,274**	6,057

Notes to the condensed consolidated interim financial statements 2013
(in thousands of euro, unless indicated otherwise)

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 Piet Heinstraat 11a, 7204 JN Zutphen, The Netherlands.

2. Basis of preparation

Statement of compliance

The Group's condensed consolidated interim financial statements as at and for the six months ended 30 June 2013 were approved for publication by the Board of Directors on 19 August 2013.

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting. As permitted by IAS 34, these statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2012. In addition, the notes to the condensed consolidated interim financial statements are presented in a condensed format.

For further details on the principle accounting policies of the Company, we refer to our website, www.cryo-save.com/group.

3. Significant accounting policies

The significant accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012.

The Group used the following new and revised IFRS standards and interpretations for the first time as of January 2013:

- Changes to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Changes to IFRS 1: Government loans
- Changes to IFRS 7: Financial Instruments: Disclosures
- IFRS 13: Fair Value Measurement
- Revision to IAS 1: Presentation of Items of Other Comprehensive Income
- Revisions to IAS 12: Recovery of Underlying Assets
- Changes to IAS 19: Employee Benefits
- IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine
- Improvements to IFRS, cycle 2009-2011

The standards and interpretations required to be used for the first time starting January 1, 2013 resulted in no significant effects on the interim financial statements of Cryo-Save Group N.V.

4. Change in accounting estimates

In the first six months of 2013 the Group did not change any accounting estimate, which materially impacted the reported figures.

5. Use of estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimated and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.
In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2012.

6. Seasonality

The interim operations of the Company are not impacted by seasonal or cyclical patterns.

7. Structure

Serbia

Cryo-Save Group N.V. effectuated its option to acquire an additional 10% of the shares of Cryo-Save Serbia (previously known as Life R.F. doo). Cryo-Save Group N.V. paid for this option the normalized EBITDA times a certain multiplier. Furthermore, an appreciation payment was made based on normalized EBITDA corresponding to the actual percentage of shareholding of sellers at the time. As Life R.F. waived their dividend entitlements, Cryo-Save Group N.V. consolidated this entity for 100% without recognizing a minority shareholding.

8. Operating segments

The Group identifies 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 Pharma Services GmbH ('Output').

There are no material levels of integration between the two reportable segments. The accounting policies of the reportable segments are 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 of 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', but to the segment 'stem cell storage'.

Information about reportable segments

for the six months ended 30 June	Stem cell storage		Other		Total	
	2013	2012	**2013**	2012	**2013**	2012
Revenue						
Segment revenue	**15,207**	18,374	**666**	608	**15,873**	18,982
Other segment information						
EBITA	**(1,743)**	(2,077)	**174**	92	**(1,569)**	(1,985)
Finance income	**156**	175	**0**	0	**156**	175
Finance expense	**(363)**	(386)	**0**	0	**(363)**	(386)
Depreciation and amortisation	**(2,195)**	(2,923)	**(13)**	(9)	**(2,208)**	(2,932)
Profit before taxation	**(2,655)**	(3,085)	**174**	92	**(2,481)**	(2,993)
Income tax expense	**(7)**	153	**52**	27	**45**	180
Segment assets	**51,465**	69,217	**460**	439	**51,925**	69,656
Segment liabilities	**24,722**	25,611	**160**	283	**24,882**	25,894
Capital expenditure	**431**	1,185	**5**	52	**436**	1,237

Revenue from external customers attributed to the Company's country of domicile, The Netherlands, amounted to €0.2 million (1HY 2012: €0.2 million).

Geographical 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.

for the six months ended 30 June	Revenue		Non-current assets	
	2013	2012	**2013**	2012
Spain	**4,293**	5,868	**100**	125
Italy	**1,729**	2,603	**54**	66
Hungary	**1,472**	1,959	**672**	742
Other countries	**8,379**	8,552	**30,329**	46,088
	15,873	18,982	**31,155**	47,021

9. Revenue

for the six months ended 30 June	**2013**	2012
Stem cell extraction and storage	**15,207**	18,374
Other products and services	**666**	608
Total revenue	**15,873**	18,982

10. Depreciation, amortization and impairment expenses

for the six months ended 30 June

	2013	2012
Depreciation of property, plant and equipment	**623**	732
Impairment loss property, plant and equipment	**741**	1,140
Amortization of identified intangible assets	**705**	797
Amortization of other intangible assets	**139**	213
Impairment loss intangible assets	**-**	50
Total depreciation and amortization expenses	**2,208**	2,932

11. Taxation

Income tax expense reported for the six month period ended 30 June 2013 is recognized based on management's best estimate of the weighted average annual effective income tax rate for the territories for which a tax expense is expected for the full financial year, applied to the pre-tax income of the interim period. The Group's applied consolidated effective tax rate for the six months ended 30 June 2013 was 2% (1HY 2012: 6%). The effective tax rate for the full year 2012 was 1%.

Estimates and judgment by management are required in determining the Group's deferred tax liabilities, amongst others corporate income tax and value added tax (VAT). The calculation of the tax liabilities is partly based 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.

12. Earnings per share

for the six months ended 30 June

	2013	2012
Basic earnings per share (in euro cents)	**(27.1)**	(34.1)
Diluted earnings per share (in euro cents)	**(27.1)**	(34.0)

Basic earnings per share (EPS) are calculated by dividing profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The calculation of diluted earnings per share is based on the calculation of the basic earnings per share, adjusted to allow for the assumed conversion of all dilutive share options.

The average market value of ordinary shares during the first half of 2013 did not exceed the exercise price of the options granted in the years 2007-2012, hence these options had no dilutive effect.

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

for the six months ended 30 June

	2013	2012
Issued ordinary shares at 1 January	**9,728,692**	9,676,223
Dividend paid out in shares	**-**	4,664
Shares held in treasury	**(414,665)**	(364,000)
Weighted average number of shares	**9,314,027**	9,316,887

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

for the six months ended 30 June

	2013	2012
Weighted average number of shares	**9,314,027**	9,316,887
Share options	**-**	7,154
Diluted weighted average number of shares	**9,314,027**	9,324,041
Profit attributable to ordinary equity holders of the Company	**(2,526)**	(3,173)

13. Share options, treasury shares and dividend

Share options
No options were granted in Cryo-Save Group N.V. to Directors and certain other employees of the Group.

Treasury shares
To cover the dilutive effect of the granted share options to Directors and other employees and to fund acquisitions, the Group started a share buyback programme in 2007. During the first half year of 2013 the Company repurchased 121,597 shares of its own shares in treasury. The Company has 485,597 own shares held in treasury at 30 June 2013 (31 December 2012: 364,000). Treasury shares are recorded at cost, representing the market price on the acquisition date.

Dividend
Following the shareholder resolution on 15 May 2013, the Company paid no dividend for the year 2012.

14. Contingent liabilities or contingent assets

The Group is involved in legal cases and ongoing disputes or potential legal proceedings with some parties 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.

In the first half of 2013, there were no material changes to the Group's commitments and contingent liabilities from those disclosed in the Annual Report for the year ended 31 December 2012.

15. Events after the reporting period

The Group reached agreement to sell its property in Lyon in August 2013. The proceeds of the sale (€2.3m) will be added to the cash reserves, since the property was debt free. The Group recorded an additional non-cash impairment charge of €0.7m.

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About Cryo-Save (www.cryo-save.com/group)

Cryo-Save, the leading international stem cell storage company and the largest family stem cell bank in Europe, already stores over 250,000 samples from cord blood and umbilical cord tissue for newborns and adipose tissue for adults. These stem cells can mean the difference between life and death in the case of future threats to the health of the donors. There are already several diseases that can be cured by the use of stem cells, and the number of treatments will only increase. Driven by its international business strategy, Cryo-Save is now represented in over 40 countries on three continents, with ultra-modern processing and storage facilities in Belgium, Germany, Dubai, India and South Africa.