Press Release

Zutphen, The Netherlands, 23 August 2011

Cryo-Save Group N.V. – solid half year results

Revenue up 8% to €21.1 million and operating profit up 6% to €2.0 million

Cryo-Save Group N.V. (Euronext: CRYO, 'Cryo-Save', or 'the Group'), the leading international family stem cell bank, has published its financial results for the six months ended 30 June 2011.

Financial highlights

- Revenue up 8% to €21.1 million (1 HY 2010: €19.5 million)
- EBITA* up 10% to €2.7 million (1 HY 2010: €2.5 million)
- Operating profit up 6% to €2.0 million (1 HY 2010: €1.9 million)
- Profit before taxation up 7% to €1.7 million (1 HY 2010: €1.6 million)
- Net profit up 2% to €1.3 million (1 HY 2010: €1.3 million)
- Basic earnings per share 13.9 euro cents (1 HY 2010: 13.7 euro cents)
- Net cash from operating activities €1.7 million (1 HY 2010: € 2.0 million)
- Cash position of €3.6 million as at 30 June 2011

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

Operational highlights

- 19,600 new samples stored in 1 HY 2011, up 6% (1 HY 2010: 18,500). Of these, 12,600 were new cord blood samples and 7,000 new cord tissue samples
- 184,000 samples stored in total
- Release of sample to treat 6 year old girl with Cerebral Palsy at Duke University, USA
- 65% of new customers opt for combined service of cord blood and cord tissue storage
- Acquisition of Serbian distributor Life R.F. for €2.3 million in cash and 30,000 Cryo-Save shares
- Permission granted in Serbia and Switzerland for combined storage of umbilical cord tissue and stem cells from umbilical cord blood. The Group now offers this combined service in all main countries of operation
- Incorporation of Cryo-Save USA, Inc. to commercialize and further develop the Cryo-Lip® service in North America, along with strategic partner General BioTechnology
- Joint venture established in South Africa with John Daniel Holdings and Lazaron Biotechnologies to form Cryo-Save South Africa

Outlook

- Cryo-Save has a strong strategic position and product portfolio
- The Cryo-Lip® service will be introduced in the USA in the second half of 2011
- Cryo-Save will continue to collaborate with new partners or make acquisitions in line with its strategy
- Promising developments in the use of stem cell technology in the treatment of diseases and for cellular therapy and regenerative medicine
- Cryo-Save is confident it will continue to maintain its leadership position as the international family stem cell bank of choice

Thanks to a considerable volume growth of the combined service of storing the umbilical cord tissue and stem cells derived from umbilical cord blood, Cryo-Save reported strong revenue of €21.1 million for the first half of 2011 compared to the first half of 2010 (€19.5 million). Gross profit margin improved to 67.0% compared to the second half of 2010 (66.5%), but declined when compared to the first half of 2010 (68.7%). Operational expenses increased with €0.4 million due to the impact of the acquisitions of Tissue Bank Cryo Center Bulgaria AD ('TBCCB') and Life R.F. doo, Serbia ('Life") and further investments in Cryo-Lip®. The acquisitions also impacted the amortization of intangible assets which increased with €0.2 million. Hence, operating profit was up 6% to €2.0 million, from €1.9 million in 1 HY 2010.

Arnoud van Tulder, Chief Executive officer, commented:

"This solid performance and revenue growth will allow us to invest further in our services and maintain our position as the leading international family stem cell bank.

"We are excited about our expansion into the US and the potential for the commercialisation of the Cryo-Lip® service together with our partners.

"We are also very pleased to have been able to release a sample for a stem cell transfusion at Duke University in the US. The treatment and the acceptance of the Cryo-Save sample by the treating physicians demonstrate the value of storing your own stem cells, as well as the quality of Cryo-Save's processing and storage procedures."

Operational review

Growth in combined storage

The uptake by new customers of the combined service of storing the umbilical cord tissue and stem cells derived from umbilical cord blood grew during the first half of 2011 and was the main contributor to revenue growth. The Group stored 7,000 new cord tissue samples, which is a company record. As a result of the permission granted by the authorities in Serbia and Switzerland, the Group is now able to offer this combined service in all the main countries in which it operates.

Successful treatment with stem cells

Another successful transplant of adult stem cells stored by Cryo-Save was reported in March 2011 as part of the treatment of a malignant and potentially fatal brain tumor two years ago. A Spanish now four year old girl has recovered from medulloblastoma after receiving her own stem cells as part of her treatment. These stem cells had been obtained from her umbilical cord at the time of her birth and had been preserved and stored by Cryo-Save. After surgery and chemotherapy the stem cell transplantation fully rebuilt her immune system. Currently she does not require any medication and lives a normal life.

Release of a cord blood stem cell sample

Cryo-Save released another sample to Duke University for the treatment of a six year old Portuguese girl with Cerebral Palsy. This brain disorder causes many problems, including impaired movement, trembling of the limbs, spasticity, seizures of epilepsy, learning and developmental problems and more. There is no treatment for this disorder and it affects almost half a million people in the USA alone. Medical doctors at Duke University are treating Cerebral Palsy children who have their own cord blood stored, in a clinical trial.

Acquisition Life R.F., Serbia

In February 2011, Cryo-Save acquired a 70% interest in its Serbian distributor, Life R.F. with an option to acquire the remaining 30% of the shares in the next three years. Life R.F. is the leading Serbian family stem cell bank and has been a successful distributor for Cryo-Save, and has always operated under the Cryo-Save brand. Life's strong network amongst the country's top gynaecologists will ensure solid growth over the next years. The acquisition was earnings enhancing with immediate effect.

Start of Cryo-Save USA

On 25 May 2011, Cryo-Save incorporated a wholly owned subsidiary, Cryo-Save USA, Inc. This company will commercialize and further develop the Cryo-Lip® service in North America. Cryo-Lip® allows adults to store stem cells from fat tissue which is extracted whilst undergoing other surgical procedures.
Cryo-Save USA has already entered into an agreement with General BioTechnology LLC ("GBT") in Indianapolis. GBT is a FDA and AABB (American Association of Blood Banks) accredited stem cell bank and will be the strategic partner responsible for processing and the long-term cryogenic storage of stem cells from fat tissue.
Cryo-Save expects to launch this service in the second half of 2011.

Start of joint venture in Africa

On 2 June 2011, Cryo-Save and John Daniel Holdings Ltd ('JDH'), the controlling shareholder of Lazaron Biotechnologies (SA) Ltd ('Lazaron'), Africa's first private cord blood stem cell bank, agreed to establish a new stem cell bank joint venture (JV) in South Africa. As of July, the JV trades under the name Cryo-Save South Africa and utilises Lazaron's Cape Town processing and storage facility. The JV will immediately expand its operations into several African countries and will offer customers the option of storing cord tissue and stem cells from cord blood in South Africa or in Belgium. The Cape Town process and storage facility will be refurbished to cater for cord tissue processing and storage too, which is expected to be ready early September. The Group is optimistic about the opportunity to become a major force in stem cell banking in South Africa and in Africa.

Preventive stem cell storage for nuclear workers

Cryo-Save announced in March 2011 that it is willing to offer to store autologous adult stem cells for Japan. Recent scientific studies have shown that stem cells are able to repair the damage caused by high nuclear radiation exposure. Collecting and preserving stem cells of persons at a higher risk of radiation exposure could therefore be a potentially life-saving measure. The Group is now examining the feasibility of offering this alternative to employees of nuclear power plants in Europe.

Industry overview

The use of stem cell technology in the treatment of life threatening diseases has increased significantly over the past decade resulting in therapies for over 70 blood and blood related diseases now being applied. More recently the use of stem cells for cellular therapy and regenerative medicine is emerging.

Recent scientific publications[1] showed the following promising results:

- FDA approves phase III clinical trial for umbilical cord blood expansion (July 2011)
- The European group for Blood and Marrow Transplantation (EBMT), a joint committee of four major scientific organizations, reported on 1,040 patients treated with novel cellular therapies, of which 664 with autologous stem cells. Main indicators were cardiovascular disorders, muscoskeletal disorders, neurological disorders and autoimmune diseases. Overall, the presented data highlighted a relatively large activity in the clinical use of cell therapies.
- Surgeons have used men's own stem cells to rebuild their trachea (March and July 2011)
- Scientists get grant for research to cure premature babies blindness using stem cells (May 2011)
- New heart grown using adult stem cells (April 2011)
- Storing of stem cells from peripheral blood for nuclear workers is revisited following on disaster in Japan (April 2011)
- 5 boys aged 10 to 14 receive tailor-made urethras grown in a lab from their own cells (March 2011)
- Samples cryo-preserved for 23.5 years were validated for recovery and functionality, providing on-going validation of long term cryo-preservation as the industry ages (March 2011)
- Own stem cell transplantation improves end-stage liver disease (Jan 2011)
- Own cord blood stem cells for pediatric traumatic brain injury (Jan 2011)

To date, 25,000 unrelated cord blood transplants have been performed. Ten European family cord blood banks that are member of the Cord Blood Europe association released 36 samples (of which 12 for family-sibling use and 24 for autologous (one's own stem cells) use). The two largest USA banks, who started 10 years ahead of the European banks, released 369 samples (of which 177 for family-sibling use and 192 for autologous use). This demonstrates the future potential for the increase of releases in Europe as well as the usefulness of storing one's own stem cells.

Beyond current applications, the following promising diseases and fields are being worked on:

- Cerebral palsy
- Traumatic brain injury
- Stroke
- Spinal cord injuries
- Heart disease
- Type 1 Diabetes
- Orthopedic applications
- Auto-immune disorders
- Ophthalmological applications
- Solid tumors
- Liver disease
- Musculo-skeletal and burns

Regenerative medicine is seen as the next step in the evolution of medical science. This new field shows real promise in developing therapies and treatments for previously untreatable diseases and conditions. It has a central focus on human stem cells but includes numerous areas, such as cell therapy, tissue engineering, growth factors, transplantation science and others.

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[1] See page 9 for a list of scientific source references

The end goal is repairing, replacing or regenerating living functional cells and tissues. The traditional source of mesenchymal stem cells (MSC's) is bone marrow, but umbilical cord tissue and adipose tissue have emerged as reliable sources. In the USA cord blood transplants grew at a rate of 10% compared to 1% for marrow (source: 2010 NMDP transplants) and more than 50% of the stem cell transplantations with children used cord blood as the source. The advantage of the use of mesenchymal stem cells from umbilical cord tissue is that they are easier and less invasive to obtain, present in all cords, younger and more primitive stem cells, with a greater proliferative capacity. They are the simplest, healthiest building blocks for what is becoming known as *personalized medicine*.
There are currently over 200 clinical trials using stem cells from cord blood. It is estimated that over 4,000 treatments have been given using MSC's.

Applied research

Following the completion of the EU funded project CRYSTAL early 2010, the European Commission Framework 7 has funded and launched the HYPERLAB project. Cryo-Save is one of eight institutions which collaborate under the coordination of Prof. Dr. Zimmermann. This three year 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 leading market position and its commitment to the development of stem cell research.

Cryo-Save is also a founding member of the International Tissue Engineering Research Association (ITERA) Life-Sciences Forum, an international forum of scientists specialising in regenerative medicine, headed by Professor Albert Ramon. The international board of the ITERA Life-Sciences Forum is composed of researchers and doctors from universities, university hospitals, stem cell and research institutes and biotechnological companies and is dedicated to exploring the latest developments in stem cell research. The next ITERA congress is scheduled for 21 and 22 November 2011.

Strategy and positioning

Cryo-Save is the leading international family stem cell bank, having stored over 185,000 samples.

During the first half of 2011, the Group accomplished its strategic objectives:

- Growth by acquisitions via the acquisition of Life R.F., Serbia and the full impact of the late 2010 acquired Tissue Bank Cryo Center Bulgaria
- Growth by new services such as the combined service and Cryo-Lip®
- Growth in new geographies will materialize in the second half of 2011 as a result of amongst other the launch of the African joint venture
- South Eastern Europe and India were the main contributors to organic growth. However, this was more than offset by a volume decline in Spain and Hungary compared to the first half of 2010. The situation in these countries seems to be stabilized though, compared to the second half of 2010.

Cryo-Save will continue to pursue these strategic objectives in the second half of 2011. The Group is well positioned to benefit from the expanding market for stem cell storage, driven by the increasing number and the successful use of stored samples in therapies, and in clinical studies and trials. Cryo-Save, as the leading international family stem cell bank, offers collection, processing and cryogenic preservation of human adult stem cells from the three main sources:

- hematopoietic stem cells obtained from the umbilical cord blood
- mesenchymal stem cells obtained from the umbilical cord tissue
- mesenchymal stem cells obtained from adipose tissue

These are the most promising and suitable sources of stem cells for current applications and future regenerative medicine. In offering these fully certified and verified services, Cryo-Save is the adult stem cell bank of choice for now and the future.

Financial review

Revenue

Group revenue increased to €21.1 million (1 HY 2010: €19.5 million), up 8%. The main driver of revenue growth has been the increased uptake of the combined service of cord blood and cord tissue storage. Revenue has also been positively impacted by price increases, the introduction of new services, and the acquisition of TBCCB.

In the first half of 2011 the Group processed and stored 12,600 cord blood samples (1 HY 2010: 13,300) and 7,000 cord tissue samples (1 HY 2010: 5,200), bringing the total for the first half to 19,600 samples (1 HY 2010: 18,500 samples).

Geographical breakdown of revenue

€ in millions	**1 HY 2011**	1 HY 2010
Europe	**19.9**	18.4
Asia	**0.8**	0.7
Africa	**0.4**	0.4
Total	**21.1**	19.5

Europe remains Cryo-Save's main market, underpinning its leading position there.

Gross profit and gross margin

Gross profit increased to €14.2 million (1 HY 2010: €13.4 million). The gross profit margin was 67.0% (1 HY 2010: 68.7%). Although this was below 1 HY 2010, it was an increase compared to 2 HY 2010 (66.5%). The impact of the better product mix and price increases were more than sufficient to compensate for unfavourable exchange rate differences and increased collection and laboratory costs.

Operating expenses

Operating expenses, excluding depreciation and amortization, amounted to €10.6 million (1 HY 2010: €10.2 million), including €0.3 million acquisition effects.

€ in millions	**1 HY 2011**	1 HY 2010
Marketing and sales expenses	**5.3**	4.6
Research and development expenses	**0.2**	0.3
General and administrative expenses	**5.1**	5.3
Total	**10.6**	10.2

The increase in marketing and sales expenses was due to acquisition effects (€0.3 million), and additional costs for the launch of Cryo-Lip® (€0.2 million).

EBITA and operating profit

EBITA was up 10% to €2.7 million (1 HY 2010: €2.5 million). Higher revenue (€1.6 million) and gross profit (€0.7 million) were partly offset by additional operational expenses due to acquisitions and further investments in Cryo-Lip®.

Operating profit amounted to €2.0 million, up 6% (1 HY 2010: €1.9 million).

Depreciation was €0.7 million (1 HY 2010: €0.6 million), and amortization €0.9 million (1 HY 2010: €0.7 million). The increase in depreciation was mainly caused by the full depreciation period of investments in the dual storage location in Belgium. Amortization mainly increased due to recognized intangible assets as a result of the recent acquisitions and software investments.

Net finance cost/income

Net finance costs of €0.3 million were unchanged. Higher foreign currency losses and higher interest charges relating to the unwinding of deferred liabilities were partly offset by higher interest income resulting from instalment plans from customer payments.

Profit before taxation

Profit before taxation amounted to €1.7 million, up 7% (1 HY 2010: €1.6 million).

Taxation

The effective tax rate was 24.1%, significantly below the effective tax rate of full year 2010 of 34%.

Profit for the year

Profit after taxation was up 2% to €1.3 million (1 HY 2010: €1.3 million).

Earnings per share

Basic earnings per share were 13.9 euro cents (1 HY 2010: 13.7 euro cents).

Cash flow

Cash flow from operations amounted to €3.6 million (1HY 2010: €3.3 million), movements in working capital €0.9 million (1HY 2010 €0.8 million), and interest and taxes paid €1.0 million (1 HY 2010: €0.5 million), resulting in €1.7 million net cash from operating activities (1HY 2010: € 2.0 million).

Cryo-Save acquired its Serbian distributor Life R.F. for €2.3 million in cash and 30,000 Cryo-Save shares, with an option to acquire the remaining 30% of the shares of Life R.F. in the next three years.

Investments in property, plant and equipment of €0.7 million mainly related to the dual storage location in Belgium. Investments in intangible assets (€0.2 million) related to software.

The Group completed another tranche of its share buyback programme and repurchased 100,000 shares between 6 January 2011 and 12 January 2011. The shares were repurchased at an average price of €5.20. Cryo-Save paid its dividend in June 2011, of which €0.4 million in cash.

As at 30 June 2011, Cryo-Save had a cash position of €3.6 million (31 December 2010: €6.0 million).

Related party transactions

In the first six months of 2011, no important transactions with related parties were conducted.

Principal risks and uncertainties

Pages 34-36 of Cryo-Save's Annual report 2010 include an extensive overview of the Group's principal risks and uncertainties, which are also applicable for the remaining six months of 2011.

Declaration of the Executive Directors

The Executive Directors declares that, as far as they are aware and to the best of their 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 Executive Directors further declare that this report to the shareholders gives a true and fair view on the information that has to be contained therein.

Zutphen, the Netherlands, 22 August 2011

Arnoud van Tulder, Chief Executive Officer
Marc Waeterschoot, Executive Director

List of used scientific sources:

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- Tanimoto et al. Safety of workers at the Fukushima Daiichi nuclear power plant.The Lancet, Volume 377, Issue 9776, Pages 1489 - 1490, 30 April 2011
- http://www.sciencedaily.com/releases/2011/03/110307184632.htm
- Broxmeyer et al. Hematopoietic stem/progenitor cells, generation of induced pluripotent stem cells, and isolation of endothelial progenitors from 21_23.5 year cryopreserved cord blood. Blood March 2011.
- Salama et al. Autologous Hematopoietic Stem Cell Transplantation in 48 Patients With End-Stage Chronic Liver Diseases. Cell Transplantation, Vol. 19, pp. 1475–1486, 2010
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Free footage is available on www.videobankonline.com.

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

Cryo-Save, the leading international family stem cell bank, already stores over 185,000 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 four continents, with ultra-modern processing and storage facilities in Belgium, Germany, Dubai, India, South Africa and France (validation in progress).

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	**2011**	2010
Revenue	9	**21,120**	19,534
Cost of sales		**(6,962)**	(6,121)
Gross profit		**14,158**	13,413
Marketing and sales expenses		**5,294**	4,638
Research and development expenses		**149**	294
General and administrative expenses	10	**6,744**	6,615
Total operating expenses		**12,187**	11,547
Operating profit		**1,971**	1,866
Finance income		**128**	31
Finance costs		**(401)**	(314)
Net finance (costs)/income		**(273)**	(283)
Results relating to equity-accounted investees		**0**	0
Profit before taxation		**1,698**	1,583
Income tax expense	11	**409**	321
Profit for the period		**1,289**	1,262
Attributable to:			
- Equity holders of the Company		**1,289**	1,262
- Non-controlling interest		**-**	-
Profit for the period		**1,289**	1,262
Earnings per share (in euro cents)	12		
- Basic		**13.9**	13.7
- Diluted		**13.9**	13.6

Condensed consolidated statement of comprehensive income
in thousands of euro

For the six months ended 30 June

	2011	2010
Profit for the period	**1,289**	1,262
Other comprehensive income		
Foreign currency translation differences	**41**	117
Other comprehensive income for the period	**41**	117
Total comprehensive income for the period	**1,330**	1,379
Attributable to:		
- Equity holders of the Company	**1,330**	1,379
- Non-controlling interest	**-**	-
Total comprehensive income for the period	**1,330**	1,379

Condensed consolidated statement of financial position

in thousands of euro, before allocation of profit

	Note	**30 June 2011**	31 December 2010
Intangible assets		**38,939**	35,789
Property, plant and equipment		**14,819**	14,762
Investments in equity accounted investees		**0**	0
Deferred tax assets		**987**	618
Trade and other receivables		**744**	990
Total non-current assets		**55,489**	52,159
Inventories		**986**	732
Trade and other receivables		**9,446**	8,655
Current tax assets		**3,462**	3,067
Cash and cash equivalents		**3,577**	5,964
Total current assets		**17,471**	18,418
Total assets		**72,960**	70,577
Equity	13		
Issued share capital		**968**	964
Share premium reserve		**38,174**	38,178
Revaluation reserve		**524**	570
Legal reserve		**174**	174
Translation reserve		**(409)**	(450)
Treasury shares		**(2,423)**	(2,180)
Retained earnings		**10,272**	9,504
Equity attributable to equity holders of the Company		**47,280**	46,760
Non-controlling interest		**-**	-
Total equity		**47,280**	46,760
Liabilities			
Borrowings		**3,514**	3,600
Deferred revenue		**8,545**	7,739
Deferred considerations		**1,314**	1,094
Deferred tax liabilities		**2,570**	2,307
Other liabilities		**160**	100
Total non-current liabilities		**16,103**	14,840
Borrowings		**190**	194
Trade and other payables		**6,946**	6,078
Deferred revenue		**659**	597
Deferred considerations		**784**	814
Current tax liabilities		**998**	1,294
Total current liabilities		**9,577**	8,977
Total liabilities		**25,680**	23,817
Total equity and liabilities		**72,960**	70,577

Condensed consolidated statement of changes in equity

in thousands of euro

For the six months ended 30 June 2011

	Issued share capital	Treasury shares	Other reserves	Share-holders' equity	Non-controlling interest	Total equity
At 1 January 2011	**964**	**(2,180)**	**47,976**	**46,760**	**-**	**46,760**
Exchange differences on translating foreign operations	**-**	**-**	**41**	**41**	**-**	**41**
Other comprehensive income	**-**	**-**	**41**	**41**	**-**	**41**
Profit for the period	**-**	**-**	**1,289**	**1,289**		**1,289**
Total comprehensive income	**-**	**-**	**1,330**	**1,330**	**-**	**1,330**
Transactions with owners:						
* Share-based payments	**-**	**279**	**(104)**	**175**	**-**	**175**
* Dividend distributed	**4**	**-**	**(467)**	**(463)**	**-**	**(463)**
* Repurchased shares	**-**	**(522)**	**-**	**(522)**	**-**	**(522)**
Total transactions with equity holders of the Company	**4**	**(243)**	**(571)**	**(810)**	**-**	**(810)**
At 30 June 2011	**968**	**(2,423)**	**48,735**	**47,280**	**-**	**47,280**

For the six months ended 30 June 2010

	Issued share capital	Treasury shares	Other reserves	Share-holders' equity	Non-controlling interest	Total equity
At 1 January 2010	**964**	**(3,664)**	**46,507**	**43,807**	**-**	**43,807**
Exchange differences on translating foreign operations	-	-	117	117	-	117
Other comprehensive income	-	-	117	117	-	117
Profit for the period	-	-	1,262	1,262		1,262
Total comprehensive income	-		1,379	1,379	-	1,379
Transactions with owners:						
* Share-based payments	-	106	6	112	-	112
* Dividend distributed	-	-	(554)	(554)	-	(554)
* Share options exercised	-	281	(218)	63	-	63
Total transactions with equity holders of the Company	**-**	387	(766)	(379)	-	(379)
At 30 June 2010	**964**	**(3,277)**	**47,120**	**44,807**	**-**	**44,807**

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

For the six months ended 30 June	**2011**	**2010**
Cash flows from operating activities		
Profit for the period	**1,289**	1,262
Adjustments for:		
Income tax expense	**409**	321
Finance costs	**401**	314
Finance income	**(128)**	(31)
Depreciation and amortisation	**1,623**	1,360
Equity settled share-based payment transactions	**19**	112
	3,613	3,338
Movements in working capital		
(Increase)/decrease in (non)current trade and other receivables	**(545)**	380
(Increase)/decrease in inventories	**(254)**	(234)
(Increase)/decrease (non)current tax assets	**(666)**	(963)
Increase/(decrease) in (non)current liabilities	**336**	185
Increase/(decrease) in (non)current tax liabilities	**257**	(178)
Net cash from operations	**2,741**	2,528
Interest paid	**(348)**	(289)
Interest received	**128**	31
Income taxes paid	**(797)**	(270)
Net cash from operating activities	**1,724**	2,000
Cash flows from investing activities		
Net acquisition spending	**(2,252)**	(1,400)
Purchase of property, plant and equipment	**(752)**	(1,736)
Purchase of intangible assets	**(169)**	(61)
Disposals of non-current assets	**82**	134
Net cash (used in)/generated by investing activities	**(3,091)**	(3,063)
Cash flows from financing activities		
Repurchase of own shares	**(522)**	-
Dividend distributed	**(396)**	(471)
Redemption of borrowings	**(90)**	(89)
Share options exercised	**-**	63
Net cash generated by/(used in) financing activities	**(1,008)**	(497)
Net increase/(decrease) in cash and cash equivalents	**(2,375)**	(1,560)
Cash and cash equivalents at 1 January	**5,964**	7,485
Exchange differences	**(12)**	12
Cash and cash equivalents at 30 June	**3,577**	5,937

Notes to the condensed consolidated interim financial statements 2011

(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 IJsselkade 8, 7201 HB 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 2011 were approved for publication by the Board of Directors on 22 August 2011.

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2011 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 2010. 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 2010, except for the adoption of the following new standards, amendments to standards and interpretations, which have been adopted as relevant to the Group for the first time. These standards and interpretations did not have a material impact on the Group's condensed consolidated interim financial statements; however, some of these standards have affected disclosures.

- IAS 24 Related Party Disclosures
- IAS 32 Financial Instruments
- IAS 34 Interim Financial Reporting
- IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

4. Change in accounting estimates

In the first six months of 2011 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 2010.

6. Seasonality

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

7. Acquisitions

Serbia

On 1 February 2011, Cryo-Save acquired Life R.F. doo ('Life R.F.'), Serbia, for an initial consideration of €2.3 million payable in cash and 30,000 Cryo-Save Group N.V. shares. Cryo-Save Group N.V. has an option to acquire the remaining 30% of the shares of Life R.F. in the next three years. The option is valued at the normalised EBITDA times a certain multiplier, resulting in a deferred consideration. Cryo-Save Group N.V. will also pay appreciation payments, which are based on normalized EBITDA corresponding to the actual percentage of shareholding of sellers at the time, resulting in a deferred consideration. In return Life R.F. waived their dividend entitlements. As a result, Cryo-Save Group N.V. consolidate this entity for 100% without recognizing a minority interest. Cryo-Save Group N.V. also paid €0.5 million as milestone payment as a result of obtaining permission by the competent authorities to start the collection, processing and storing of umbilical cord tissue in Serbia.

Since its start Life R.F. has operated under the Cryo-Save brand, and has demonstrated over the years to be successful as the market leader in Serbia. Its strong network amongst the country's top gynaecologists will ensure a continuous and solid growth over the next years.

Since Life R.F. was operating as an agent of Cryo-Save A.G., the acquisition did not increase consolidated revenue, but increased operating profit.

In the five months to 30 June 2011 Life R.F. contributed €0.2 million to the Group's operating profit. If the acquisition had occurred on 1 January 2011, management estimates that consolidated operating profit for the half year of the Group would also have been €2.0 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

The following summarises the major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

Cash	2,350
Equity instruments issued (30,000 ordinary shares)	156
Contingent consideration	1,763
Total consideration	**4,269**

The fair value of the equity instruments issued of €156 thousand was based on the listed share price of the Company of €5.20 per ordinary share at 1 February 2011.

The fair value of the contingent consideration at the acquisition date was estimated at €1,763 thousand, based on a discount rate of 5 per cent. At 30 June 2011 the contingent consideration increased with €29 thousand, reflecting the unwinding of the discount since acquisition.

Identifiable assets acquired and liabilities assumed

The fair values of the acquired assets and liabilities assumed were as follows at the time of acquisition:

Property, plant and equipment	84
Intangible assets	1,797
Deferred tax assets	355
(Trade)receivables	110
Cash and cash equivalents	98
Non-current lease liabilities	(47)
Deferred tax liabilities	(450)
(Trade)payables	(244)
Net identifiable assets and liabilities	**1,703**
Goodwill on acquisitions	2,566
Consideration	**4,269**
Cash acquired	(98)
Equity instruments issued	(156)
Deferred considerations	(1,763)
Net acquisition spending	**2,252**

Total net acquisition spending in 2011 was €2.3 million (1HY 2010: €1.4 million).

The intangible assets of €1.8 million related to the identified intangible assets regarding re-acquired rights. With respect to this intangible asset, a deferred tax liability was recognized. The goodwill of €2.6 million is mainly attributable to the skills and talent of Life R.F.'s management and the synergies expected to be achieved from integrating Life R.F. into the Group's existing stem cell storage activities. The goodwill was allocated to the 'stem cell storage' segment.

Acquisition-related costs

The Group incurred limited acquisition related costs regarding legal, tax and financial due diligence fees and other advisory fees, which have been included in the general and administrative expenses in the Group's consolidated statement of comprehensive income.

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 amortisation 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	
	2011	2010	**2011**	2010	**2011**	2010
Revenue						
Segment revenue	**20,508**	18,911	**612**	623	**21,120**	19,534
Other segment information						
EBITA	**2,653**	2,447	**85**	44	**2,738**	2,491
Finance income	**128**	30	**0**	1	**128**	31
Finance expense	**(401)**	(314)	**0**	0	**(401)**	(314)
Depreciation and amortisation	**(1,614)**	(1,352)	**(9)**	(8)	**(1,623)**	(1,360)
Profit before taxation	**1,613**	1,538	**85**	45	**1,698**	1,583
Income tax expense	**384**	308	**25**	13	**409**	321
Segment assets	**72,587**	67,251	**373**	421	**72,960**	67,672
Segment liabilities	**25,429**	22,573	**251**	292	**25,680**	22,865
Capital expenditure	**921**	1,795	**0**	2	**921**	1,797

Revenue from external customers attributed to the Company's country of domicile, The Netherlands, amounted to €0.2 million (1HY 2010: €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	
	2011	2010	**2011**	2010
Europe	**19,935**	18,386	**53,037**	48,006
Asia	**759**	696	**721**	828
Africa	**426**	452	**0**	1
	21,120	19,534	**53,758**	48,835

9. Revenue

for the six months ended 30 June	**2011**	2010
Stem cell extraction and storage	**20,508**	18,911
Other products and services	**612**	623
Total revenue	**21,120**	19,534

10. Depreciation and amortisation expenses

for the six months ended 30 June	**2011**	2010
Depreciation of property, plant and equipment	**696**	619
Amortisation of identified intangible assets	**767**	625
Amortisation of other intangible assets	**160**	116
Total depreciation and amortisation expenses	**1,623**	1,360

The increase of amortisation expenses of identified intangible assets is due to the acquired Bulgarian distributor in November 2010 and the Serbian partner in February 2011.

11. Taxation

Income tax expense reported for the six month period ended 30 June 2011 is recognized based on management's best estimate of the weighted average annual effective income tax rate 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 2011 was 24% (1HY 2010: 20%). The effective tax rate for the full year 2010 was 34%.

Estimates and judgement 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	**2011**	2010
Basic earnings per share (in euro cents)	**13.9**	13.7
Diluted earnings per share (in euro cents)	**13.9**	13.6

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 year of 2011 did exceed the exercise price of the options granted in 2009. Hence, these options had a minor dilutive effect. The average market value of ordinary shares during the first half of 2011 did not exceed the exercise price of the options granted in other years, 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	**2011**	2010
Issued ordinary shares at 1 January	**9,639,191**	9,639,191
Dividend paid out in shares	**2,880**	-
Shares held in treasury	**(366,019)**	(412,389)
Weighted average number of shares	**9,276,052**	9,226,802

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

for the six months ended 30 June	**2011**	2010
Weighted average number of shares	**9,276,052**	9,226,802
Share options	**12,282**	26,586
Diluted weighted average number of shares	**9,288,334**	9,253,388
Profit attributable to ordinary equity holders of the Company	**1,289**	1,262

13. Share options, treasury shares and dividend

Share options

At 4 April 2011 options were granted for 80,000 ordinary shares in Cryo-Save Group N.V. to Directors and certain other employees of the Group, at an exercise price of €5.47 per share.

The fair market value of each conditionally awarded share was €2.36, 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.

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 2011 the Company repurchased 100,000 shares of its own shares in treasury and reissued 30,000 of its own shares in treasury for the Serbian acquisition, resulting in 364,000 own shares held in treasury at 30 June 2011 (30 June 2010: 396,500). Treasury shares are recorded at cost, representing the market price on the acquisition date.

Dividend

Following the shareholder resolution on 18 May 2011, the Company paid a dividend of 7 euro cent per share amounting to €650 thousand for the year ended 31 December 2010. Of this amount, €463 thousand was paid in cash and €187 thousand was paid in shares for which the Company issued 37,032 nominal shares.

14. Contingent liabilities or contingent assets

In the first half of 2011, 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 2010.

15. Events after the reporting period

There were no material events after the reporting period.

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