Press Release

Zutphen, The Netherlands, 21 August 2012

Cryo-Save Group N.V. – half year results 2012

Restructuring projects completed and cost saving programs started to repel economic turmoil in Southern Europe

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 2012.

The first half of 2012 has been impacted by the economic crisis in Europe, as well as non-recurring restructuring expenses amounting to €2.0 million. The continued economic turmoil in Southern Europe, particularly in Spain, along with the termination due to non-compliance of a contract with a large Italian distributor, which started its own processing and storage facility during the second quarter of 2012, impacted volume, revenue and result significantly. Most other European countries showed improved or stable results during the first half of the year, whilst India and South-Africa achieved higher storage numbers.

Mainly due to the cessation of Cryo-Lip® activities and the closure of France, increased (non-recurring) expenses were reported in the first half of 2012. These costs related to the termination of contracts with several employees and suppliers, impairment of the debt free French building which is now held for sale, and a provision for the termination of contracts with distributors.

Lower revenue and higher operating expenses resulted in an operating result of -€2.8 million (1HY 2011: €2.0 million). The previously announced costs saving programs have been implemented, which resulted in non-recurring expenses of €2.0 million for the first half. The underlying operating result was -€0.8 million. The full impact of the restructuring and cost saving programs will start to come through in the second half of 2012. The total number of employees, denominated in full time equivalents, decreased from 282 at the end of December 2011 to 257 at 30 June 2012.

The Group had a solid cash position of €6.1 million as at 30 June 2012.

Due to the economic crisis, the total European market for stem cell storage shrank by more than 10% during the first half of 2012, mainly caused by Spain and Italy. The Spanish market has stabilised during the second quarter of 2012 and the Group's Italian subsidiary has also seen improved performance. Cryo-Save has been able to secure its market share and remains the largest stem cell bank in Europe.

The Group continues to focus on further strengthening its market leadership in Europe, on growing the market for stem cell storage and restoring its financial performance.

Arnoud van Tulder, Chief Executive officer, commented:

"As previously reported, we anticipated a tough first six months of 2012, affecting the Company's top and bottom line results.

"Restructuring and cost saving programs have been implemented and will bear fruit in the second half of 2012, and we expect to report a significantly higher EBITDA for the second half of 2012.

"We are confident that the action steps taken and the focussed approach to enhance the stem cell market in combination with our market leading position will allow Cryo-Save to emerge stronger going forward."

Financial highlights

- Revenue: €19.0 million (1 HY 2011: €21.1 million)
- Underlying* operating expenses before depreciation, amortisation and impairments: €11.5 million (1 HY 2011: €10.6 million). Increase mainly due to:
  - Intensified marketing activities (€0.4 million)
  - Investments of Cryo-Lip® (€0.3 million) during the first 5 months of 2012
- EBITDA**: €0.2 million (1 HY 2011: €3.6 million)
- Underlying EBITDA: €1.0 million (1 HY 2011: €3.6 million)
- EBITA***: -€2.0 million (1 HY 2011: €2.7 million)
- Underlying EBITA: €30 (1 HY 2011: €2.7 million)
- Operating result: -€2.8 million (1 HY 2011: €2.0 million)
- Underlying operating result: -€0.8 million (1 HY 2011: €2.0 million)
- Result before taxation: -€3.0 million (1 HY 2011: €1.7 million)
- Underlying result before taxation: -€1.0 million (1HY 2011: €1.7 million)
- Net result: -€3.2 million (1 HY 2011: €1.3 million)
- Basic earnings per share -34.1 euro cents (1 HY 2011: 13.9 euro cents)
- Net cash from operating activities €0.8 million (1 HY 2011: € 1.7 million)
- Cash position of €6.1 million as at 30 June 2012

* 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

- 18,000 new samples stored in 1 HY 2012 (1 HY 2011: 19,600). Of these, 11,100 were new cord blood samples and 6,900 new cord tissue samples
- 222,000 samples stored in total
- 75% of new customers opt for combined service of cord blood and cord tissue storage
- Collaboration agreement signed with Europe's most important Catholic university, "Università Cattolica del Sacro Cuore" (UCSC). Policlinico "Gemelli" University Hospital based in Rome, Italy, is part of the UCSC Faculty of Medicine and Surgery and is owned by the Vatican.
- Closure of French processing and storage facility. The debt free building is now held for sale.
- Cessation of Cryo-Lip® activities
- Acquisition of an additional 10% of the shares of Cryo-Save Serbia

Outlook

- Cessation of Cryo-Lip and French activities and further cost saving measures will come through in 2HY 2012 resulting in a significantly higher EBITDA for the second half of 2012
- Cryo-Save has a strong strategic position and product portfolio
- Cryo-Save is formally accredited by recognised industry bodies; combined with over ten years of experience, world-class operational excellence is assured
- Continued 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

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 75% during the first half of 2012. The Group stored 6,900 new cord tissue samples. The combined service is offered in all Cryo-Save's main countries of operations.

Long-term relationship with Catholic University of Sacred Heart

Cryo-Save has begun a new collaboration with Europe's most important Catholic university "Universita Cattolica del Sacro Cuore" (UCSC). Policlinico "Gemelli" University Hospital based in Rome, Italy, is part of the UCSC Faculty of Medicine and Surgery and is owned by the Vatican. The partnership aims at promoting and improving knowledge on the cryopreservation of mesenchymal stem cells from the umbilical cord tissue.

Cryo-Save has also obtained funding from the Italian Molise region. The "GO!!!" initiative subsidies the start-up of innovative companies in this region and Cryo-Save has obtained funding amounting to €0.6 million for the development of cryopreservation techniques of cord tissue over the next three years.

Cryo-Save Arabia FDA registered

Cryo-Save Arabia's lab, located in Dubai, is U.S. Food and Drug Administration (FDA) registered for autologous and family-related use of umbilical cord blood stem cells.

Cost Free-Donation Program

Cryo-Save has demonstrated its commitment to its corporate social responsibility program through its Cost Free Donation Program. Specifically designed to offer families in need the opportunity to collect and cryopreserve their new-born's umbilical cord blood stem cells. Free of charge, it also gives the opportunity to treat a family member diagnosed with a life-threating disease treatable with stem cells.

Closure France

After more than 3 years of disputes with the healthcare authorities in France, including several court cases, Cryo-Save got confirmation that it will not get the permission from the authorities to collect, process and store stem cells from umbilical cord blood. As a result, the Group decided to dismantle its French operations. Staff has been dismissed, contracts with third parties has been terminated and the building, free of debt, will be sold.

Cryo-Save awarded Young Researcher

Cryo-Save celebrated the grand opening of its brand new headquarters office in Zutphen, the Netherlands, by honouring PhD. T.H.J. Nijhuis with the Young Investigator Award. Mr. T.H.J. Nijhuis has focused his most recent research on stem cells.

Cryo-Save included in Euronext Small Cap Index

As a result of the increased liquidity of the Cryo-Save share over the past 12 months, Cryo-Save has been included as of 18 June 2012 in the AScX® index, also known as Small Cap index or simply Small Cap, a stock market index composed of Dutch companies that trade on NYSE Euronext Amsterdam.

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.

Scientific publications[1] showed the following promising results during the first half of 2012:

- Promising results from the treatment of type 1 diabetes using own stem cells (June 2012)
- Umbilical cord mesenchymal stem cells have been shown to inhibit breast cancer cell growth (June 2012)
- First child enrolled in clinical trial using autologous cord blood to treat acquired hearing loss. This is a FDA approved clinical trial (May 2012)
- World's first approved stem cell drug for the treatment of acute graft-vs-host disease in children (May 2012)
- Study using stem cell therapy shows promise in the fight against HIV (May 2012)

[1] See page 19 for a list of scientific source references

- Children with spina bifida (which is a birth defect in which the backbone and spinal canal do not close before birth) treated with unique stem cells show amazing responses (April 2012)
- Two genetically selected babies save their brother's life in Spain (February/March 2012)
- Cord blood banking saves Missouri girl's life (March 2012)
- First trial in the US and in the world to study the infusion of stem cells into the human brain is launched (February 2012)
- Girl is treated for sickle cell disease using umbilical cord blood from her sibling (February 2012)
- Autologous umbilical cord blood shows promise for use in asphyxiated neonates (February 2012)
- A breakthrough for umbilical cord stem cells being converted into other stem cell types (January 2012)
- The National Marrow Donor Program celebrates 25 year and 50,000 transplants (January 2012)

Financial review

Revenue

Group revenue amounted to €19.0 million (1 HY 2011: €21.1 million), particularly impacted by lower volume in Southern Europe. The higher uptake of the combined service of cord blood and cord tissue and price increases positively impacted revenue, but did not fully compensate for the loss of revenue.

In the first half of 2012 the Group processed and stored 11,100 cord blood samples (1 HY 2011: 12,600) and 6,900 cord tissue samples (1 HY 2011: 7,000), bringing the total for the first half to 18,000 samples (1 HY 2011: 19,600 samples).

Geographical breakdown of revenue

€ in millions	**1 HY 2012**	1 HY 2011
Europe	**17.7**	19.9
Asia	**0.9**	0.8
Africa	**0.4**	0.4
Total	**19.0**	21.1

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

Gross profit and gross margin

Gross profit was €12.5 million (1 HY 2011: €14.2 million). The gross profit margin was 65.8% (1 HY 2011: 67.0%). Although this was below 1 HY 2011, it was in line with 2 HY 2011 (66.1%). Increased collection and laboratory costs adversely impacted gross profit and consequently gross margin.

Operating expenses

Operating expenses, excluding depreciation, amortization and impairments, amounted to €12.3 million (1HY 2011: €10.6 million). Underlying operating expenses, excluding depreciation, amortization and impairments, amounted to €11.5 million (1 HY 2011: €10.6 million). Non-recurring expenses of €0.8 million related to the cessation of the Cryo-Lip® activities, the closure of the French operations, and a provision for the termination of contracts with distributors.

€ in millions	**1 HY 2012**	1 HY 2011
Marketing and sales expenses	**6.5**	5.3
Research and development expenses	**0.2**	0.2
General and administrative expenses	**4.8**	5.1
Total	**11.5**	10.6

The increase in marketing and sales expenses was mainly due to intensified marketing activities in all three geographical areas (€0.4 million), market research projects in Southern Europe (€0.2 million), additional costs of Cryo-Lip® (€0.3 million) in the first 5 months of 2012 and expenses related to distribution contracts, which were previously classified as 'cost of sales' expenses (€0.2 million).

General and administrative expenses decreased with €0.3 million, mainly as a result of lower consultancy fees (e.g. taxation and legal).

EBITA and operating result

EBITA amounted to -€2.0 million (1 HY 2011: €2.7 million). Underlying EBITA amounted to €30 thousand (1 HY 2011: € 2.7 million). Lower volume resulted in €2.1 million lower revenue and €1.7 million lower gross profit. Underlying EBITA was positive, but lower than the same period last year.

Operating result amounted to -€2.8 million (1 HY 2011: €2.0 million). Underlying operating result was -€0.8 million.

Depreciation was €1.9 million (1 HY 2011: €0.7 million) and amortization was €1.0 million (1 HY 2011: €0.9 million). The increase of depreciation was caused by the impairment loss of €1.1 million related to the French building and its office equipment. This French building and its equipment, which is free of debt, is valued at fair market value less cost to sell. Underlying depreciation was €0.8 million. Amortization mainly increased due to software investments.

Net finance cost/income

Net finance costs were €0.2 million (1HY 2011: €0.3 million), due to lower foreign currency losses and higher interest income resulting from instalment plans from customer payments and cash and cash equivalents.

Result before taxation

Result before taxation amounted to -€3.0 million (1 HY 2011: €1.7 million profit). Underlying result before taxation amounted to -€1.0 million.

Taxation

The effective tax rate was -6% (FY 2011: 24%) mainly caused by operational losses in some countries for which no deferred tax asset was capitalized.

Result for the period

The result for the period was -€3.2 million (1 HY 2011: €1.3 million). Underlying result for the period was -€1.2 million.

Earnings per share

Basic earnings per share were -34.1 euro cents (1 HY 2011: 13.9 euro cents).

Property, plant and equipment and impairment loss

In June 2012, Cryo-Save announced that it did not receive the permission to process and store stem cells in France after more than three years of disputes with the French healthcare authorities. As a result, it was decided to dismantle the French operations which included laying-off the French employees and selling off the building in Lyon. Therefore, the French building and related assets were classified as 'assets held for sale' in the condensed consolidated statement of financial position.

In line with the Group's accounting policies, the French building and its assets are valued against fair value less cost to sell. The fair value less cost to sell was estimated at €3.3 million. Consequently, Cryo-Save incurred an impairment loss of €1.1 million, which is recognised in the consolidated statement of income and classified under general and administrative expenses as a depreciation and amortization charge.

Cash flow

Cash flow from operating activities amounted to €0.2 million (1HY 2011: €3.6 million), movements in working capital €0.9 million positive (1HY 2011 €0.9 million negative), and interest and taxes paid €0.3 million (1 HY 2011: €1.0 million), resulting in €0.8 million net cash from operating activities (1HY 2011: € 1.7 million).

Investments in property, plant and equipment of €1.1 million mainly related to the laboratory equipment in Belgium, movement of the Dutch headquarters to a new office and replacement investments. Investments in intangible assets (€0.2 million) related to software.

At 30 June 2012, Cryo-Save had a cash position of €6.1 million (31 December 2011: €7.0 million).

Related party transactions

In the first six months of 2012, Life Sciences NV charged €0.1 million as consultancy fee. Life Sciences NV is a related party as this entity is controlled by M.J. Waeterschoot, a Director of the Company.

Principal risks and uncertainties

Pages 28-31 of Cryo-Save's Annual report 2011 include an extensive overview of the Group's principal risks and uncertainties, which are also applicable for the remaining six months of 2012.

Declaration of the Executive Directors

The Executive Directors declare 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, 20 August 2012

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

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	2012	2011
Revenue	9	**18,982**	21,120
Cost of sales		**(6,501)**	(6,962)
Gross profit		**12,481**	14,158
Marketing and sales expenses			
- Other marketing and sales expenses		**6,480**	5,294
- Non-recurring restructuring expenses		**247**	-
Research and development expenses		**152**	149
General and administrative expenses	10		
- Other general and administrative expenses		**6,616**	6,744
- Non-recurring restructuring expenses		**578**	-
- Non-recurring impairment loss		**1,190**	-
Total operating expenses		**15,263**	12,187
Operating profit		**(2,782)**	1,971
Finance income		**175**	128
Finance costs		**(386)**	(401)
Net finance (costs)/income		**(211)**	(273)
Results relating to equity-accounted investees		**0**	0
Profit before taxation		**(2,993)**	1,698
Income tax expense	11	**180**	409
Profit for the period		**(3,173)**	1,289
Attributable to:			
- Equity holders of the Company		**(3,173)**	1,289
- Non-controlling interest		**-**	-
Profit for the period		**(3,173)**	1,289
Earnings per share (in euro cents)	12		
- Basic		**(34.1)**	13.9
- Diluted		**(34.0)**	13.9

Condensed consolidated statement of comprehensive income
in thousands of euro

For the six months ended 30 June

	2012	2011
Profit for the period	**(3,173)**	1,289
Other comprehensive income		
Foreign currency translation differences	**215**	41
Other comprehensive income for the period	**215**	41
Total comprehensive income for the period	**(2,958)**	1,330
Attributable to:		
- Equity holders of the Company	**(2,958)**	1,330
- Non-controlling interest	**-**	-
Total comprehensive income for the period	**(2,958)**	1,330

Condensed consolidated statement of financial position

in thousands of euro, before allocation of profit	Note	30 June 2012	31 December 2011
Intangible assets		**36,705**	37,580
Property, plant and equipment		**10,316**	14,519
Investments in equity accounted investees		**0**	0
Deferred tax assets		**447**	537
Trade and other receivables		**1,087**	941
Total non-current assets		**48,555**	53,577
Inventories		**1,044**	1,013
Trade and other receivables		**8,285**	8,068
Assets classified as held for sale		**3,300**	-
Current tax assets		**2,415**	2,730
Cash and cash equivalents		**6,057**	7,024
Total current assets		**21,101**	18,835
Total assets		**69,656**	72,412
Equity	13		
Issued share capital		**973**	968
Share premium reserve		**38,169**	38,174
Revaluation reserve		**424**	474
Legal reserve		**183**	176
Translation reserve		**(1,339)**	(1,558)
Treasury shares		**(2,423)**	(2,423)
Retained earnings		**7,775**	11,409
Equity attributable to equity holders of the Company		**43,762**	47,220
Non-controlling interest		**-**	-
Total equity		**43,762**	47,220
Liabilities			
Borrowings		**3,317**	3,403
Deferred revenue		**10,075**	9,386
Deferred considerations		**644**	1,145
Deferred tax liabilities		**1,998**	2,159
Other liabilities		**120**	155
Total non-current liabilities		**16,154**	16,248
Borrowings		**189**	194
Trade and other payables		**7,024**	6,357
Deferred revenue		**759**	722
Deferred considerations		**640**	558
Current tax liabilities		**1,128**	1,113
Total current liabilities		**9,740**	8,944
Total liabilities		**25,894**	25,192
Total equity and liabilities		**69,656**	72,412

Condensed consolidated statement of changes in equity

in thousands of euro

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**
Result 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**

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)**	**49,976**	**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	**-**	(243)	(571)	(810)	-	(810)
At 30 June 2011	**968**	**(2,423)**	**48,735**	**47,280**	**-**	**47,280**

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

For the six months ended 30 June	**2012**	**2011**
Cash flows from operating activities		
Profit for the period	**(3,173)**	1,289
Adjustments for:		
Income tax expense	**180**	409
Finance costs	**386**	401
Finance income	**(175)**	(128)
Depreciation, amortisation and impairments	**2,932**	1,623
Equity settled share-based payment transactions	**64**	19
	214	3,613
Movements in working capital		
(Increase)/decrease in (non)current trade and other receivables	**(363)**	(545)
(Increase)/decrease in inventories	**(31)**	(254)
(Increase)/decrease (non)current tax assets	**314**	(666)
Increase/(decrease) in (non)current liabilities	**1,196**	336
Increase/(decrease) in (non)current tax liabilities	**(158)**	257
Net cash from operations	**1,172**	2,741
Interest paid	**(356)**	(348)
Interest received	**175**	128
Income taxes paid	**(150)**	(797)
Net cash from operating activities	**841**	1,724
Cash flows from investing activities		
Net acquisition spending	**-**	(2,252)
Purchase of property, plant and equipment	**(1,052)**	(752)
Purchase of intangible assets	**(185)**	(169)
Disposals of non-current assets	**83**	82
Net cash (used in)/generated by investing activities	**(1,154)**	(3,091)
Cash flows from financing activities		
Repurchase of own shares	**-**	(522)
Dividend distributed	**(564)**	(396)
Redemption of borrowings	**(90)**	(90)
Net cash generated by/(used in) financing activities	**(654)**	(1,008)
Net increase/(decrease) in cash and cash equivalents	**(967)**	(2,375)
Cash and cash equivalents at 1 January	**7,024**	5,964
Exchange differences	**0**	(12)
Cash and cash equivalents at 30 June	**6,057**	3,577

Notes to the condensed consolidated interim financial statements 2012
(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 11, 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 2012 were approved for publication by the Board of Directors on 20 August 2012.

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2012 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 2011. 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 2011. The Company began using the amendment to IFRS 7 'Financial Instruments: Disclosures – Transfer of Financial Assets' for the first time as of 1 January 2012. This amendment has been endorsed by the EU and has no effect of the Group's condensed consolidated interim financial statements.

The following amendments to standards have not been adopted by the Company in 2012 as they have not been endorsed by the EU; after endorsement, these amendments to standards will not be applicable to the Group's condensed consolidated (interim) financial statements.

- IFRS 1 'First-time Adoption of IFRSs: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters'
- IAS 12 'Income Taxes – Deferred Tax: recovery of Underlying Asset'

4. Change in accounting estimates

In the first six months of 2012 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 2011.

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 normalised 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 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	
	2012	2011	**2012**	2011	**2012**	2011
Revenue						
Segment revenue	**18,374**	20,508	**608**	612	**18,982**	21,120
Other segment information						
EBITA	**(2,077)**	2,653	**92**	85	**(1,985)**	2,738
Finance income	**175**	128	**0**	0	**175**	128
Finance expense	**(386)**	(401)	**0**	0	**(386)**	(401)
Depreciation and amortisation	**(2,923)**	(1,614)	**(9)**	(9)	**(2,932)**	(1,623)
Profit before taxation	**(3,085)**	1,613	**92**	85	**(2,993)**	1,698
Income tax expense	**153**	384	**27**	25	**180**	409
Segment assets	**69,217**	72,587	**439**	373	**69,656**	72,960
Segment liabilities	**25,611**	25,429	**283**	251	**25,894**	25,680
Capital expenditure	**1,185**	921	**52**	0	**1,237**	921

Revenue from external customers attributed to the Company's country of domicile, The Netherlands, amounted to €0.2 million (1HY 2011: €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	
	2012	2011	**2012**	2011
Europe	**17,690**	19,935	**46,347**	53,037
Asia	**890**	759	**530**	721
Africa	**402**	426	**144**	0
	18,982	21,120	**47,021**	53,758

9. Revenue

for the six months ended 30 June		
	2012	2011
Stem cell extraction and storage	**18,374**	20,508
Other products and services	**608**	612
Total revenue	**18,982**	21,120

10. Depreciation, amortisation and impairment expenses

for the six months ended 30 June		
	2012	2011
Depreciation of property, plant and equipment	**732**	696
Impairment loss property, plant and equipment	**1,140**	-
Amortisation of identified intangible assets	**797**	767
Amortisation of other intangible assets	**213**	160
Impairment loss intangible assets	**50**	-
Total depreciation and amortisation expenses	**2,932**	1,623

11. Taxation

Income tax expense reported for the six month period ended 30 June 2012 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 2012 was -6% (1HY 2011: 24%). The effective tax rate for the full year 2011 was 24%.

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

	2012	2011
Basic earnings per share (in euro cents)	**(34.1)**	13.9
Diluted earnings per share (in euro cents)	**(34.0)**	13.9

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 2012 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 2012 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

	2012	2011
Issued ordinary shares at 1 January	**9,676,223**	9,639,191
Dividend paid out in shares	**4,664**	2,880
Shares held in treasury	**(364,000)**	(366,019)
Weighted average number of shares	**9,316,887**	9,276,052

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

for the six months ended 30 June

	2012	2011
Weighted average number of shares	**9,316,887**	9,276,052
Share options	**7,154**	12,282
Diluted weighted average number of shares	**9,324,041**	9,288,334
Profit attributable to ordinary equity holders of the Company	**(3,173)**	1,289

13. Share options, treasury shares and dividend

Share options
At 2 April 2012 options were granted for 64,000 ordinary shares in Cryo-Save Group N.V. to Directors and certain other employees of the Group, at an exercise price of €3.93 per share.

The fair market value of each conditionally awarded share was €1.56, 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 2012 the Company did not repurchase any of its own shares. The Company has 364,000 own shares held in treasury at 30 June 2012 (31 December 2011: 364,000). Treasury shares are recorded at cost, representing the market price on the acquisition date.

Dividend
Following the shareholder resolution on 16 May 2012, the Company paid a dividend of 8 euro cent per share amounting to €745 thousand for the year ended 31 December 2011. Of this amount, €564 thousand was paid in cash and €181 thousand was paid in shares for which the Company issued 52,469 nominal shares.

14. Contingent liabilities or contingent assets

In the first half of 2012, 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 2011.

15. Events after the reporting period

There were no material events after the reporting period.

List of used scientific sources:

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- http://onlinelibrary.wiley.com/doi/10.1002/jcb.24073/abstract?elq=1684481af81f45aa96745ba4bbb4ab43
- http://www.nbc-2.com/story/18610064/stem-cells-used-to-regenerate-hearing
- http://investor.osiris.com/releasedetail.cfm?releaseid=674658
- http://medicalxpress.com/news/2012-05-stem-cell-therapy-hiv.html
- http://www.free-press-release.com/news-children-with-spina-bifida-treated-with-unique-stem-cells-show-amazing-responses-1336341962.html
- http://www.europapress.es/salud/noticia-nace-andaluciasegundo-bebe-seleccionado-geneticamente-salvar-vida-hermano-20120213091135.html
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- http://fox2now.com/2012/03/15/cord-blood-banking-saves-missouri-girls-life/
- http://waco.ynn.com/content/health/283878/your-health--stem-cells-for-stroke-treatment
- http://www.nbcbayarea.com/news/local/Bay-Area-Girl-Is-a-Sickle-Cell-Success-Story-139297018.html
- Journal of PeriAly et al. Viability and neural differentiation of mesenchymal stem cells derived from the umbilical cord following perinatal asphyxia. Journal of Perinatology (2011), 1–6

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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 stem cell storage company and the largest family stem cell bank in Europe, already stores over 222,000 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.