Press Release

Zutphen, The Netherlands, 18 March 2014

Cryo-Save Group N.V.

The recomposition of the Board of Directors and the acquisition of the Salveo business in combination with a further strategic review after the successful turnaround will bring Cryo-Save towards a sustainable profitable future

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 year ended 31 December 2013.

Cryo-Save's main markets remained depressed during 2013. This significantly stalled new client acquisitions. As a result, revenue dropped by €6.2 million to €30.6 million (2012: €36.8 million). The total volume drop for the year could only be marginal offset by an improved country and price mix. However, the Group noticed a stabilization of new client acquisitions during the second half of 2013.

The gross profit as a percentage of revenue remained stable at 64% in comparison to 2012. However, Cryo-Save saw a marked improvement from 61.5% during the first half of 2013 to 67.6% during the second half of the year, mainly due to cost savings materializing in lab consumables and lab examination cost as a result of the implementation of the comprehensive turnaround plan.

The underlying marketing and sales expenses decreased by €3.4 million due to headcount reduction as a result of an organizational redesign and a freeze of certain marketing expenses. Underlying general and administrative expenses, which include €1.3 million unplanned consultancy and legal costs, increased by €0.8 million.

This resulted in underlying earnings before interest, taxation, depreciation and amortization (EBITDA) of €0.5 million (2012: €1.9 million).

In 2012 Cryo-Save started a turnaround to regain profitable growth. During the first half of 2013 a renowned strategy consultancy firm was engaged to support the Group with the identification of further measures to restore profitability and conducting an in-depth analysis of the Group's strategic objectives for the mid to longer term. This analysis reconfirmed 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. Cryo-Save's new Board supported the management to continue the implementation of the turnaround strategy, which is well on track and ensured that the Company swung back to profitability by year-end.

In December 2013, Cryo-Save acquired the commercial activities of Salveo Biotechnology in Switzerland, Spain, Italy, Portugal and Ukraine. The Group will benefit from increased revenues and profitability, expand market shares by a dual brand strategy and further strengthen the market leader position in the European stem cell market.

The Board of Directors will be nominating Mr. Frédéric Amar as Executive Director and new CEO of Cryo-Save at an Extraordinary General Meeting of Shareholders to be held on Wednesday, March 19 2014. Mr. Amar has a strong scientific background and track record in creating and managing companies as well as a deep knowledge about the technique of and markets for stem cells cryopreservation. The Board of Directors expects that Mr. Amar will accelerate the initiated turnaround of the company and create value for shareholders and other stakeholders.

As at 31 December 2013, Cryo-Save had a rock-solid cash position of almost €9 million (31 December 2012: €7 million).

Evi Mattil, Chief Executive officer a/i, commented:
"A turbulent year was resolved by the appointment of Mr Frédéric Amar and Mr Gert-Jan van der Marel in the Board of Cryo-Save in November. The strong experience and deep market knowledge that Mr. Frédéric Amar is bringing to our company will drive Cryo-Save to the next level of profitable growth, following the implementation of a comprehensive turnaround program.

"2013 will also be remembered as the year in which we reached the major milestone of storing more than 250,000 stem cell samples in addition to two successful releases of samples stored by Cryo-Save which were used for the treatment of patients suffering from Cerebral Palsy and Blackfan-Diamond Anaemia."

Frédéric Amar, Non-Executive Director, commented:
"We are conducting a further strategic review of the company. I am deeply committed to bring this company back to substantial growth and profitability and will be totally involved in the future developments."

Financial highlights

- Revenue €30.6 million (2012: €36.8 million)
- Gross profit as percentage of revenue 64.4% (2012: 64.7%)
- Underlying* operating expenses before depreciation, amortisation and impairments: €19.2 million (2012: €21.9 million).
- Underlying EBITDA**: €0.5 million (2012: €1.9 million)
- Underlying EBITA***: -€1.0 million (2012: €0.2 million)
- Underlying operating result: -€2.3 million (2012: -€1.3 million)
- Underlying net result: -€2.4 million (2012: -€0.9 million)
- Rock-solid cash position of €8.6 million as at 31 December 2013 (2012: €7.1 million)

* Underlying results exclude non-recurring restructuring expenses and impairment losses

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

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

Non-recurring cost

- Severance costs: €0.6 million (2012: €0.3 million)
- Non-cash impairment of goodwill and other assets: €0.7 million (2012: €15.1 million)
- Termination of contracts with service providers and distributors: nil (2012: €0.7 million)
- Other: -€0.2 million (2012: €0.1 million)

Reported figures under IFRS

- Operating result: -€3.5 million (2012: -€17.5 million)
- Result before taxation: -€3.5 million (2012: -€17.3 million)
- Net result: -€3.5 million (2012: -€17.1 million)
- Basic earnings per share -37.9 euro cents (2012: -183.1 euro cents)

Operational highlights

- 28,900 new samples stored in 2013 (2012: 35,100). Of these, 16,800 were new cord blood samples and 12,100 new cord tissue samples
- Over 250,000 samples stored in total; the milestone of 250,000 samples stored was reached in October 2013
- 81% of new customers opt for combined service of cord blood and cord tissue storage
- One sample released to treat Blackfan-Diamond Anaemia
- Another sample released for the treatment of Cerebral Palsy
- Divestment of Cryo-Save (India) Private Limited via a management buy-out
- Recomposition of the Board of Directors at the EGM in November 2013
- Acquisition of all assets that are exclusively related to the distribution and commercial activities of the umbilical cord blood and umbilical cord tissue cryopreservation business of Salveo Biotechnology S.A
- Completion of the transaction concerning the sale of the Group's property in Lyon, France

Financial review

Revenue

Group revenue decreased by €6.2 million to €30.6 million, largely due to declining volumes in all major markets. Improved country and price mix could only partly offset the negative effect of the volume decline.

The number of new cord blood samples stored for the year 2013 amounted to 16,800 (2012: 21,200), whilst the number of new cord tissue samples stored was 12,100 (2012: 13,900), resulting in 28,900 new samples stored in 2013 (2012: 35,100).
The Group achieved the milestone of having more than 250,000 samples stored in 2013.

Gross profit and gross margin

Gross profit decreased to €19.7 million (2012: €23.8 million). The gross profit margin decreased by 0.3 percentage point to 64.4%. The improved country and price mix enhanced the gross profit margin by 1.7 percentage point to 66.3%. Increased cost related to the transport of the samples to the processing and storage facility eroded the gross profit margin by 2 percentage point. The increase of service fees related to independent sales agents (0.3 percentage point) was more or less offset by a decrease of cost concerning laboratory consumables (0.4 percentage point).

Operating expenses

The 2013 underlying operating expenses are adjusted for non-recurring cost concerning:

- Severance costs: €0.6 million (2012: €0.3 million)
- Non-cash impairment of goodwill and other assets: €0.7 million (2012: €15.1 million)
- Termination of contracts with service providers and distributors: nil (2012: €0.7 million)
- Other: -€0.2 million (2012: €0.1 million)

Underlying operating expenses € in millions	**2013**	2012
Underlying marketing and sales expenses	**8.2**	11.6
Underlying research and development expenses	**0.3**	0.4
Underlying general and administrative expenses	**10.7**	9.9
Total	**19.2**	21.9

Underlying operating expenses decreased by €2.7 million. In these underlying expenses, an amount of €1.3 million was included for unplanned consultancy and legal costs. In case these cost are excluded, the operating expenses would have decreased by €4.0 million to €17.9 million.

The decrease in underlying marketing and sales expenses by €3.4 million was the result of on the one hand headcount reductions already started in 2012 (€1.9 million). On the other hand this was impacted by a freeze of expenses related to flyers and brochures, advertising costs, public relation, travel, hotel and airplane expenses, in total amounting to a saving of €0.9 million, envisaged cost savings that materialized (€0.4 million) and the divestment and subsequent deconsolidation of Cryo-Save India (€0.2 million).

Underlying general and administrative expenses increased by €0.8 million. The decrease as a result of headcount reduction (€0.9 million) was offset by an increase of other general and administrative expenses (€1.6 million), mainly the result of the unplanned consultancy and legal costs.

Underlying EBITA and operating result

Underlying EBITA amounted to -€1.0 million (2012: €0.2 million). Volume decline affected the gross profit by €5.0 million, whilst increased cost of sales further affected the gross profit by €0.6 million. The improved country and price mix positively impacted the gross profit by €1.5 million. The underlying operating expenses decreased by €2.7 million, and included an amount of €1.3 million regarding unplanned consultancy and legal costs.

Underlying depreciation was €1.2 million (2012: €1.3 million), and underlying amortisation excluding the amortization of identified intangible assets as a result of acquisitions amounted to €0.3 million (2012: €0.4 million).

Underlying operating profit amounted to -€2.3 million (2012: -€1.3 million).

Net finance cost/income

Net finance cost of €0.0 million decreased compared to 2012 (€0.2 million income), mainly due to currency translation differences related to Cryo-Save (India) Private Limited which were previously recorded in equity and as a result of the divestment recycled through the income statement.

Underlying result before taxation

The underlying result before taxation amounted to -€2.4 million (2012: -€1.1 million).

Underlying result for the period

The underlying result after taxation was -€2.4 million (2012: -€0.9 million).

Cash flow

Net cash from operating activities was €0.2 million (2012: €2.4 million). The decrease was mainly a result of the lower operational results for the year.

Investments in property, plant and equipment of €0.4 million mainly relate to laboratory equipment. The proceeds from the sale of the French building (€2.3 million) were directly added to the freely available cash reserves, since the building was debt free. Investments in intangible assets (€0.3 million) related to software.

As at 31 December 2013, Cryo-Save had a cash position of €8.6 million (31 December 2012: €7.1 million).

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Evi Mattil, Chief Executive Officer a/i

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

Cryo-Save, the leading international family stem cell bank, stores more than 250,000 samples from umbilical cord blood and cord tissue. There are already many diseases treatable by the use of stem cells, and the number of treatments will only increase. Cryo-Save has cryopreserved samples from over 70 countries on six continents, with ultra-modern processing and storage facilities in Belgium, Germany, Dubai, and South Africa.

Consolidated statement of income
for the year ended December 31

in thousands of euros

	Notes	2013	2012
Revenue	10	**30,565**	36,842
Cost of sales	11	**(10,871)**	(13,017)
Gross profit		**19,694**	23,825
Marketing and sales expenses	12	**8,446**	12,001
Research and development expenses	13	**289**	378
General and administrative expenses			
- Impairment of goodwill and other assets	14	**741**	15,118
- Other general and administrative expenses	14	**13,682**	13,811
Total operating expenses		**23,158**	41,308
Operating result		**(3,464)**	(17,483)
Finance income	17	**822**	771
Finance costs	18	**(849)**	(586)
Net finance (costs)/income		**(27)**	185
Results relating to equity-accounted investees		**0**	0
Result before taxation		**(3,491)**	(17,298)
Income tax expense	19	**22**	(195)
Result for the year		**(3,513)**	(17,103)
Attributable to:			
– Equity holders of the Company		**(3,513)**	(17,103)
– Non-controlling interest		**-**	-
Result for the year		**(3,513)**	(17,103)
Earnings per share (in euro cents)	20		
– Basic earnings per share		**(37.9)**	(183.1)
– Diluted earnings per share		**(37.9)**	(183.0)

Consolidated statement of comprehensive income
for the year ended December 31

in thousands of euros

	2013	2012
Result for the year	**(3,513)**	(17,103)
Other comprehensive income		
Foreign currency translation differences	**(38)**	147
Other comprehensive income for the year	**(38)**	147
Total comprehensive income for the year	**(3,551)**	(16,956)
Attributable to:		
– Equity holders of the Company	**(3,551)**	(16,956)
– Non-controlling interest	**-**	-
Total comprehensive income for the year	**(3,551)**	(16,956)

Consolidated statement of financial position
at end of year, before allocation of result

in thousands of euros

	Notes	**2013**	2012
Assets			
Intangible assets	21	**22,754**	22,169
Property, plant and equipment		**8,807**	10,167
Investments in equity-accounted investees		**0**	0
Deferred tax assets		**437**	617
Trade and other receivables		**751**	1,224
Total non-current assets		**32,749**	34,177
Inventories		**528**	1,475
Trade and other receivables		**7,866**	7,323
Assets held for sale	9	**-**	3,020
Current tax assets		**1,736**	2,538
Cash and cash equivalents		**8,584**	7,088
Total current assets		**18,714**	21,444
Total assets		**51,463**	55,621
Equity	22		
Issued share capital		**973**	973
Share premium reserve		**38,169**	38,169
Revaluation reserve		**274**	374
Legal reserve		**253**	185
Translation reserve		**(1,449)**	(1,411)
Treasury shares		**-**	(2,423)
Retained earnings		**(11,451)**	(6,037)
Equity attributable to equity holders of the Company		**26,769**	29,830
Non-controlling interest		**-**	-
Total equity		**26,769**	29,830
Liabilities			
Borrowings	23	**3,003**	3,212
Deferred revenue	24	**10,568**	10,770
Deferred considerations	25	**-**	512
Deferred tax liabilities		**1,582**	1,861
Other liabilities	25	**127**	126
Total non-current liabilities		**15,280**	16,481
Borrowings	23	**202**	201
Trade and other payables		**6,448**	6,977
Deferred revenue	24	**867**	799
Deferred considerations		**1,460**	322
Current tax liabilities		**437**	1,011
Total current liabilities		**9,414**	9,310
Total liabilities		**24,694**	25,791
Total equity and liabilities		**51,463**	55,621

Consolidated statement of changes in equity

in thousands of euros

	Issued share capital	Treasury shares	Other reserves	Non-controlling interest	Total equity
At 1 January 2012	**968**	**(2,423)**	**48,675**	**-**	**47,220**
Exchange differences on translating foreign operations			147		147
Other comprehensive income			147		147
Result for the year			(17,103)		(17,103)
Comprehensive income for the year			(16,956)		(16,956)
Dividend distributed	5		(569)		(564)
Share-based payments			130		130
At 31 December 2012	**973**	**(2,423)**	**31,280**	**-**	**29,830**
Exchange differences on translating foreign operations			**(38)**		**(38)**
Other comprehensive income			**(38)**		**(38)**
Result for the year			**(3,513)**		**(3,513)**
Comprehensive income for the year			**(3,551)**		**(3,551)**
Repurchased shares		**(284)**			**(284)**
Re-issued shares		**2,707**	**(1,925)**		**782**
Other movements			**(8)**		**(8)**
At 31 December 2013	**973**	**-**	**25,796**	**-**	**26,769**

Consolidated statement of cash flows
for the year ended December 31

in thousands of euros

	2013	2012
Cash flows from operating activities		
Result for the year	**(3,513)**	(17,103)
Adjustments for:		
Income tax expense	**22**	(195)
Finance costs	**849**	586
Finance income	**(822)**	(771)
(Gain)/loss on sale of disposals of PP&E	**61**	16
Depreciation and amortisation	**2,836**	3,214
Impairment loss on tangible assets	**741**	1,140
Impairment loss on intangible assets	**-**	13,978
Equity settled share-based payments transactions	**0**	130
	174	995
Movements in working capital		
(Increase)/decrease in (non)current trade and other receivables	**(70)**	462
(Increase)/decrease in inventories	**947**	(462)
(Increase)/decrease in current tax assets	**689**	71
Increase/(decrease) in (non)current liabilities	**(619)**	1,724
Increase/(decrease) in current tax liabilities	**(25)**	50
Net cash from operations	**1,096**	2,840
Interest paid	**(671)**	(556)
Interest received	**319**	316
Income taxes paid	**(549)**	(214)
Net cash from operating activities	**195**	2,386
Cash flows from investing activities		
Proceeds from sale Indian operations	**86**	-
Proceeds from sale French building	**2,279**	-
Purchase of property, plant and equipment	**(395)**	(1,333)
Purchase of intangible assets	**(272)**	(384)
Disposals of non-current assets	**135**	143
Net cash (used in)/generated by investing activities	**1,833**	(1,574)
Cash flows from financing activities		
Repurchase of own shares	**(284)**	-
Divided distributed	**-**	(564)
Redemption of borrowings	**(208)**	(184)
Net cash generated by/(used in) financing activities	**(492)**	(748)
Net increase/(decrease) in cash and cash equivalents	**1,536**	64
Cash and cash equivalents at 1 January	**7,088**	7,024
Exchange differences on cash and cash equivalents	**(40)**	-
Cash and cash equivalents at 31 December	**8,584**	7,088

Notes to the consolidated financial information

(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.

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

2. Basis of preparation

Statement of compliance

The consolidated financial statements for the year ended 31 December 2013 were authorized for issue by the Board of Directors on 17 March 2014.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) prevailing per 31 December 2013, as adopted by the International Accounting Standards Board (IASB) and as endorsed for use in the European Union by the European Commission as at 31 December 2013. They also comply with the financial reporting requirements included in Section 9 of Book 2 of the Netherlands Civil Code, as far as applicable.

The full year 2013 financial figures of Cryo-Save Group N.V. included in the primary statements in this report are derived from the financial statements 2013. These financial statements have been authorized for issue. The financial statements have not yet been published according to law and still have to be adopted by the General Meeting of Shareholders. In accordance with section 2:393 BW, KPMG Accountants N.V. has issued an unqualified auditors opinion on these financial statements, which will be published on 1 April 2014.

3. Accounting policies

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

4. Change in accounting policies and accounting estimates

Change in accounting policies

For 2013 several new accounting pronouncements became effective, which had no material impact on our consolidated financial statements.

Change in accounting estimates

In 2013 the Group did not change any accounting estimate.

5. Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

6. Seasonality

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

7. Changes in structure of Cryo-Save Group

Acquisition Salveo

On 24 December 2013, Cryo-Save acquired all assets that are exclusively related to the distribution and commercial activities of the umbilical cord blood and umbilical cord tissue cryopreservation business of Salveo Biotechnology S.A., Switzerland and its subsidiaries, effective as of 1 January 2014. The payment for the transaction consists of 485,597 Cryo-Save Group N.V. shares plus €1,450,000 amount in cash, payable in June 2014.

Salveo Biotechnology is a Swiss private laboratory, based in Geneva, specialized in stem cells cryopreservation, cell culture and regenerative medicine. Created in 2011, made up of experts in regenerative medicine, Salveo Biotechnology, also present in Italy, Spain, Portugal and Ukraine has developed a dynamic and professional commercial network.

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

Consideration transferred

Equity instruments issued (485,597 ordinary shares)	782
Deferred consideration	1,450
Total consideration	**2,232**

The fair value of the equity instruments issued of €782 thousand was based on the listed share price of the Company of €1.61 per ordinary share at 27 December 2013.

The total consideration of €2.2 million has been recorded as goodwill (see note 21). The purchase price allocation will be performed within the 12 month window.

Salveo Biotechnology S.A. is a subsidiary of Salveo Holding S.A. in which Mr F. Amar has a controlling interest. Mr Amar was a non-executive Board member of Cryo-Save Group N.V. as per the date of the acquisition of the Salveo activities. Mr Amar was not involved in the decision making process of the Board in relation to the acquisition of the Salveo activities.

Deconsolidation Cryo-Save India

As per 31 October 2013, Cryo-Save completed its Indian Management Buyout. The Company sold 100% of the total issued and paid share capital of its Indian subsidiary Cryo-Save (India) Private Limited to a consortium including representatives of the current local management for an initial cash consideration of €86 thousand (USD 100,000). The Company realized no book result on the sale as the equity value equalled the sales price. Due to the sale of the subsidiary, the translation reserve was recycled through the income statement, leaving a currency loss of €0.2 million, which has been recorded under 'finance costs'.

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

Corporate overhead costs were not allocated to the segment 'other', but to the segment 'stem cell storage'.

Information about reportable segments

for the year ended 31 December	Stem cell storage		Other		Total	
	2013	2012	**2013**	2012	**2013**	2012
Revenue						
Segment revenue	**29,634**	35,589	**931**	1,253	**30,565**	36,842
Other segment information						
EBITA	**(2,151)**	(16,145)	**50**	125	**(2,101)**	(16,020)
Finance income	**818**	770	**4**	1	**822**	771
Finance expense	**(849)**	(584)	**0**	(2)	**(849)**	(586)
Depreciation and amortisation	**(3,551)**	(18,309)	**(26)**	(23)	**(3,577)**	(18,332)
Profit before taxation	**(3,544)**	(17,421)	**53**	123	**(3,491)**	(17,298)
Income tax expense	**5**	(233)	**17**	38	**22**	(195)
Segment assets	**51,180**	55,305	**283**	316	**51,463**	55,621
Segment liabilities	**24,625**	25,653	**69**	138	**24,694**	25,791
Capital expenditure	**658**	1,660	**9**	57	**667**	1,717

Revenue from third parties attributed to the Group's country of domicile, The Netherlands, amounted to €0.3 million (2012: €0.4 million).

9. Disposal group held for sale

The disposal group held for sale relates to the segment 'stem cell storage'.

Following the decision of Group's management on 14 June 2012, the disposal group held for sale relates to the debt free French building. The sale was effectuated as per the end of 2013.

Assets of disposal group held for sale

Balance at 1 January 2014	3,020
Impairment	(741)
Proceeds from sale	(2,279)
Total disposal group held for sale	**-**

10. Revenue

	2013	2012
Stem cell extraction and storage	**29,634**	35,589
Other products and services	**931**	1,253
Total revenue	**30,565**	36,842

Group revenue decreased by €6.2 million to €30.6 million, largely due to declining volumes in all major markets. Improved country and price mix could only partly offset the negative effect of the volume decline.

11. Cost of sales

	2013	2012
Collection costs	**4,331**	4,721
Service fee	**2,702**	3,286
Laboratory costs	**3,838**	5,010
Total cost of sales	**10,871**	13,017

12. Marketing and sales expenses

	2013	2012
Employee benefit expenses	**5,229**	7,090
Other marketing and sales expenses	**2,990**	4,539
Non-recurring expenses	**227**	372
Total marketing and sales expenses	**8,446**	12,001

The decrease in underlying marketing and sales expenses by €3.4 million was the result of on the one hand headcount reductions already started in 2012 (€1.9 million). On the other hand this was impacted by a freeze of marketing expenses (e.g. flyers and brochures, travel), in total amounting to a saving of €0.9 million, envisaged cost savings materialized (€0.4 million) and the divestment and subsequent deconsolidation of Cryo-Save India (€0.2 million).

Non-recurring expenses mainly related to severance costs.

13. Research and development expenses

	2013	2012
Employee benefit expenses	**216**	221
Other research and development costs	**73**	137
Non-recurring expenses	**-**	20
Total research and development expenses	**289**	378

14. General and administrative expenses

	2013	2012
Employee benefit expenses	**3,881**	4,731
Other general and administrative expenses	**9,638**	8,377
Non-recurring expenses	**163**	703
Non-recurring impairment loss intangible assets (goodwill)	**-**	13,928
Non-recurring impairment loss intangible assets (website)	**-**	50
Non-recurring impairment loss tangible assets (France)	**741**	1,140
Total general and administrative expenses	**14,423**	28,929

General and administrative expenses (excluding non-recurring impairment losses) increased by €0.4 million. The decrease of headcount reduction (€0.9 million) was offset by an increase of other general and administrative expenses (€1.6 million), mainly the result of the unplanned consultancy and legal costs, which was partly offset (€0.3 million) by lower depreciation and amortisation expenses.

Non-recurring expenses related mainly to severance costs.

Non-recurring impairment loss of €0.7 million related to the impairment of the debt free French building, which has been sold in December 2013.

15. Employee benefit expenses

	2013	2012
Salaries and wages	**7,433**	9,868
Social security costs	**1,272**	1,429
Cost of defined contribution plans	**243**	144
Equity settled, share based payments transactions	**0**	130
Other personnel expenses	**378**	471
Total employee benefit expenses	**9,326**	12,042

The number of full time equivalents at year-end 2013 was 149 (2012: 259). The corresponding average for 2013 is 204 (2012: 270). Full time equivalents decreased mainly due to the sale and subsequent deconsolidation of the Indian operations, less technicians in the Belgium processing and storage facility due to lower volume and other headcount reductions as a result of the organisational redesign as part of the comprehensive turnaround plan.

16. Depreciation and amortisation expenses

	2013	2012
Depreciation of property, plant and equipment	**1,166**	1,389
Amortisation of intangible assets regarding acquisitions	**1,363**	1,463
Amortisation of other intangible assets	**307**	362
Non-recurring impairment loss intangible assets (goodwill)	**-**	13,928
Non-recurring impairment loss intangible assets (website)	**-**	50
Non-recurring impairment loss tangible assets (France)	**741**	1,140
Total depreciation and amortisation expenses	**3,577**	18,332

17. Finance income

	2013	2012
Interest payment plans	**257**	221
Interest income bank and deposits	**62**	92
Deferred consideration adjustment	**503**	458
Total finance income	**822**	771

The average interest rate charged was 4.4% (2012: 3.7%) with respect to customer payment plans.

The decrease of estimated deferred considerations to former shareholders of acquired companies has been reflected under ‘deferred consideration adjustment’.

18. Finance costs

	2013	2012
Bank charges and other finance costs	**238**	282
Interest expense sale and leaseback	**186**	196
Currency translation differences	**425**	78
Unwinding of discounted deferred considerations	**-**	30
Total finance costs	**849**	586

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

19. Income tax expense

	2013	2012
Income tax recognized in profit or loss	**22**	(195)
Tax expense comprises:		
Current tax expense/(income)	**113**	183
Deferred tax expense/(income)	**(99)**	(378)
Prior year's tax difference	**8**	0
Total tax expense	**22**	(195)
Reconciliation of the effective tax rate:		
Result before taxation	**(3,491)**	(17,298)
Income tax using the Company's domestic tax rate (25%)	**(873)**	(4,325)
Tax effect of:		
Effect of tax rates in other countries	**4**	(275)
Reduction in tax rate	**-**	-
Non-deductible expenses	**140**	92
Non-deductible expenses on goodwill	**-**	3,499
Profits offset with unused tax losses for which no deferred tax asset had been recognized	**(29)**	(118)
Unused tax losses not recognized as deferred tax assets	**772**	932
Prior year´s tax difference	**8**	0
Income tax expense	**22**	(195)

Estimates and judgments made by management are required to determine the Group's tax position, amongst other corporate income tax and value added tax. The calculation of the tax position 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 position will not be materially different from what is reflected in the statement of income and statement of financial position. Should additional taxes be assessed these could have a material effect on the Group's results or financial position.

Unused tax losses

The Company's unused tax losses amount to €13.9 million (2012: €16.5 million). Due to the uncertainty of realising these unused tax losses in future periods, a deferred tax asset has not been recognized in respect of those losses.

20. Earnings per share

	2013	2012
Basic earnings per share (in euro cents)	**(37.9)**	(183.1)
Diluted earnings per share (in euro cents)	**(37.9)**	(183.0)

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 2013 (€1.80) did not exceed the exercise price of the share options granted during 2007-2012. Hence, the options had no dilutive effect.

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

	2013	2012
Issued ordinary shares at 1 January	**9,728,692**	9,676,223
Dividend paid out in shares	**-**	29,149
Average number of shares held in treasury	**(467,373)**	(364,000)
Weighted average number of shares	**9,261,319**	9,341,372

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

	2013	2012
Weighted average number of shares	**9,261,319**	9,341,372
Share options	**-**	2,399
Diluted weighted average number of shares	**9,261,319**	9,343,771
Profit attributable to ordinary equity holders of the Company	**(3,513)**	(17,103)

21. Intangible assets

	Goodwill	Identified intangible assets	Internally generated intangible assets	Other intangible assets	2013	2012
At 1 January						
Cost	28,376	13,719	747	975	43,817	43,415
Amortisation	(13,928)	(6,564)	(747)	(409)	(21,648)	(5,835)
Net book value at 1 January	**14,448**	**7,155**	**0**	**566**	**22,169**	37,580
Movements						
Translation differences	**(61)**	**(82)**	**-**	**-**	**(143)**	9
Disposal at cost	**-**	**-**	**-**	**-**	**-**	(5)
Amortisation on disposals	**-**	**-**	**-**	**-**	**-**	4
Acquisitions	**2,232**	**-**	**-**	**-**	**2,232**	-
Investments	**-**	**-**	**-**	**272**	**272**	384
Impairment	**-**	**-**	**-**	**-**	**-**	(13,978)
Deferred considerations adjustment	**(106)**	**-**	**-**	**-**	**(106)**	-
Amortisation	**-**	**(1,363)**	**-**	**(307)**	**(1,670)**	(1,825)
Total movements	**2,065**	**(1,445)**	**-**	**(35)**	**585**	(15,411)
At 31 December						
Cost	**30,441**	**13,579**	**-**	**1,109**	**45,129**	43,817
Amortisation/impairment	**(13,928)**	**(7,869)**	**-**	**(578)**	**(22,375)**	(21,648)
Net book value at 31 December	**16,513**	**5,710**	**-**	**531**	**22,754**	22,169

Goodwill and identified intangible assets impairment testing

The Group reviews at each reporting date whether there is an indicator of impairment of any of the cash-generating units that contain goodwill and identified assets. For goodwill and identified assets that have an indefinite useful life, annual impairment testing is performed by comparing the carrying amount of the cash-generating-unit to its recoverable amount. The impairment test for the segments stem cell storage and other was based on the value in use, which is the present value of future cash flows. The impairment test also included a sensitivity analysis of changes in assumptions. For the segments 'stem cell storage' and 'other', the recoverable amount exceeded the carrying amounts, hence no impairment of goodwill or identified asserts was recognised in 2013 (2012: €14 million).

Identified intangible assets

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

The net book value of the identified intangible assets of €5.7 million (2012: €7.2 million) represented the value of brand names €4.3 million (2012: €4.6 million), customer relationships €0.1 million (2012: €0.3 million), contracts €0.8 million (2012: €1.3 million) and re-acquired rights €0.5 million (2012: €1.0 million).

Other intangible assets

Other intangible assets mainly relate to capitalised software and software licences and are amortised in three years. In 2013 and 2012 no impairment of these intangibles was deemed necessary. As in previous year, no intangible assets have been pledged as security for liabilities.

22. Equity

Share capital and share premium

Authorized shares

The Company´s authorized share capital comprises of 48,000,000 shares with a par value of €4,800,000 as per 31 December 2013 (ordinary shares of €0.10 each).

Issued shares

The total issued ordinary share capital consists per 31 December 2013 of 9,728,692 shares with a par value of €0.10 (31 December 2012: 9,728,692 shares).

At the Annual General Meeting of Shareholders held on 15 May 2013, it was resolved to delegate to the Board of Directors the power (a) to issue shares and rights to subscribe for shares in the share capital of the Company up to a maximum number of 20% of the issued share capital as at the date of the present annual general meeting, (b) to restrict or exclude the pre-emptive rights in connection with such issue of shares or rights to subscribe for shares, each for a period of 18 months.

Translation reserve

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

Revaluation reserve

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

Legal reserve

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

Dividends

Following the shareholder resolution on 15 May 2013, the Company decided not to distribute dividend (2012: 8 euro cent per share).

Treasury shares

To cover the dilutive effect of the granted share options for the period 2007-2012 under the 2007 and 2009 Share Option Scheme to staff and to fund acquisitions, the Group started a share buy-back programme in 2007. At 31 December 2013 the Group had none of its own shares in treasury (31 December 2012: 364,000). Treasury shares are recorded at cost and amounted to €2.4 million at 31 December 2012 and €0 at 31 December 2013.

At the Annual General Meeting of Shareholders held on 15 May 2013, it was resolved to delegate to the Board of Directors the power (a) to repurchase shares up to a maximum of 10% of the Company's issued share capital as at the date of the annual general meeting, (b) by acquiring shares or depositary interest; (c) for a purchase price not less than ten euro cents and not higher than the average closing price over the five trading days prior to the date of acquisition at Euronext Amsterdam by NYSE Euronext plus a 10% premium; (d) for a period of 18 months.

	Number of shares		**Purchase price**	
	2013	2012	**2013**	2012
Balance at 1 January	**364,000**	364,000	**2,423**	2,423
Share buyback	**121,597**	-	**(284)**	-
Reissued	**(485,597)**	-	**2,707**	-
Balance at 31 December	**-**	364,000	**-**	2,423

23. Borrowings

	2013	2012
Borrowings – non-current liabilities	**3,003**	3,212
Borrowings – current liabilities	**202**	201
Total borrowings	**3,205**	3,413

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

24. Deferred revenue

	2013	2012
Deferred revenue – non-current liabilities	**10,568**	10,770
Deferred revenue – current liabilities	**867**	799
Total deferred revenue	**11,435**	11,569

Deferred revenue will be earned as revenue by means of the annual storage over a contractually committed 20 or 25 years period. The part of deferred revenue that will be recognized as revenue within one year is disclosed under current liabilities.

25. Non-current other liabilities

	2013	2012
Deferred considerations	**-**	512
Other non-current liabilities	**127**	126
Total non-current other liabilities	**127**	638

26. Share-based payments

In 2013 the Group recognized initially €0.1 million share-based payment costs, relating to three option plans issued in the period 2010-2012 respectively (2012: €0.1 million). Due to the leave of a Director and certain other employees, €0.1 million was reversed during 2013. On balance, the Group recognized no costs related to share-based payments.

27. Events after the reporting period

On 6 February the company announced that the Board of Directors will be nominating Mr. Frédéric Amar as Executive Director and CEO of the Group at an Extraordinary General Meeting of Shareholders ('EGM') to be held on Wednesday, March 19 2014.

The Annual Report 2013 will be available on the Company's website www.cryo-save.com/group at 1 April 2014.

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