

INTERIM REPORT

January to June 2007



- Record storage volume and revenues
- Storage units up 65 percent – revenue in half year up 51 percent
- EBIT positive despite increase in marketing and sales expenditures
- Sales strategy demonstrates better effect than expected
- Cooperation with public health insurance company
- Prognosis for the entire year increased



0/ KEY CONSOLIDATED FINANCIAL FIGURES

EUR'000*	04/01/ – 06/30/2007	04/01/– 06/30/2006	01/01/– 06/30/2007	01/01/– 06/30/2006
Umbilical cord blood storages (Units)	2,550	1,698	4,996	3,035
Revenues	3,909	2,358	7,433	4,924
Gross profit	2,717	1,524	5,116	3,337
EBIT	355	-312	619	-316
Profit/loss from discontinued operations	-104	-331	1,149	-2,581
Profit/loss for the year	-1,036	-577	318	-2,881
Cashflow from operating activities	76	-451	-952	-402
Capital expenditures	209	96	418	281
			06/30/2007	06/30/2006
Equity			21,274	12,845
Total assets			32,666	25,439
Liquid funds			12,066	4,158
Employees (Number of full-time employees)			84.3	64.0



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1/ LETTER TO THE SHAREHOLDERS

Peter Boehnert (CFO), Dr. Eberhard Lampeter (CEO) and Oliver Papavlassopoulos (CMO VITA 34 AG)

Dear Shareholders,

VITA 34 International AG continued to develop very successfully in Q2 of 2007, and better than expected by many analysts. We have begun to implement the measures for accelerating growth announced during the IPO, and they are already beginning to show the desired effect. We are, accordingly, optimistic of being able to exceed market expectations for the full year.

Today, we are able to report to you on the best quarter in the 10-year history of the company – both with regard to storage of umbilical cord blood preparations as well as with regard to revenues. Here, we have been successful in earning a positive operating profit despite significant, planned expenditures for implementing our growth oriented sales strategy. We have used this strong position to adjust our balance sheet and to limit any potential risks from the contract with the buyer of the US business we sold.

The number of storage units of umbilical cord transplants developed dynamically, increasing by 50 percent to 2,550 in the quarter. Revenues rose by 66 percent to nearly 4 million Euro. In the first half year storage units rose by 65 percent to 4,996 transplants and revenues by more than 50 percent to 7.4 million Euro. Apart from the very positive trend in the German-speaking countries, our cooperation with our sales and marketing partner in

Spain, Secuvita, is currently an additional growth engine for VITA 34. Even at the half year mark Spain had reached roughly double the number of storage units with 600 as had been planned for the entire year.

These figures are pleasing because they document that VITA 34 is a fast-growing company. This is a trend that will continue even if, from an annual perspective, the high growth rates are relativized with the prior year's quarters and we transition into an ongoing and consistent growth trend.

The figures for the quarter and in the first half year of 2007 can only reflect part of our successful activities. An important operative milestone, for example, is the cooperation with the corporate health insurance company BKK FAHR. This is the first time ever that a private cord blood bank has been successful in entering into a cooperative agreement with a public health insurance company. The agreement has a certain signal effect. Those insured by BKK FAHR – incidentally one of the fastest growing health insurance companies in Germany – receive a price reduction of up to 250 Euro under certain conditions for the professional collection and storage of cord blood at VITA 34. This agreement can be seen as a positive vote for autologous cord blood banking. It is already becoming

clear, that other public health insurance companies will follow the example. Thus, VITA 34 has been successful in an initial step towards sales support in this area, which complements our existing strong partnerships with private health insurance companies.

Sales was and is the central topic of our efforts in the past period and the subsequent ones. We have already increased the number of employees in marketing and sales, and the optimized advertising measures show good success. In addition, we have further refined our price ad payment models to tailor them to the requirements of different customer groups. Moreover, we are intensifying our contact management, in order to increase the rate of those inquiries that are converted into contracts.

We are conscious of the fact that these activities in marketing and sales have associated costs that precede revenues, and part of our strategy is aimed at raising the awareness and acceptance of the storage of cord blood. As the undisputed market leader in the German-speaking countries, VITA 34 will profit most from an expansion of the overall market. It is becoming evident that the initiated measures are having a faster and more efficient effect than we had originally planned. Correspondingly, at the half year mark in 2007 we are in a better position than planned with regard to expenditures for marketing and sales with full implementation of the strategy and higher storage unit figures.

The period profits in the first half year have already been influenced by the planned increase in marketing expenditures. Nonetheless, the half year bottom line is still positive despite the balance sheet adjustments undertaken.

The figures and, above all, the operative milestones in the half year show us that VITA 34 is on the right way towards linking an innovative area in the field of biotech-

nology with economic success as the market leader in the production of stem cell transplants from cord blood in the German-speaking countries.

The cell preparations stored at VITA 34 for our customers are a valuable raw material for use in the treatment of serious, even deadly, diseases and in regenerative medicine. We are continually being surprised by medical and biological research with new potential applications for stem cells from cord blood. We are firmly convinced that these developments will continue. VITA 34 is a pioneer in one of the most exciting and rapidly developing areas of biomedicine. This positioning will provide us with fast, dynamic and sustainable growth, and at the latest from fiscal year 2009 consistent profitable results.

In wake of the developments in Q2 of 2007, the VITA 34 growth trend is visible enough that we can increase our plans for the entire year. We assume that revenues for VITA 34 International AG for the entire year 2007 will be 20 to some 25 percent greater than the prior year. The number of storage units should be some 30 percent above 2006 and, therefore, also increase significantly more than expected up to now.

We will continue with our defined and already successfully initiated strategy in the following quarters. In addition, we will invest our efforts in conveying the core points of our strategy and the very positive resulting perspectives to our customers and to our shareholders. Ultimately, we want to the successes of VITA 34 on the capital market to reach the same high level as those in the operative business.

Leipzig, July 16, 2007



Dr. Eberhard Lampeter



Peter Boehnert

2/GROUP INTERIM MANAGEMENT REPORT

For the Period from January 1 to June 30, 2007

1. MARKET AND STRATEGY

VITA 34 is the leading private umbilical cord blood bank in the German-speaking countries. At least two of every three preparations stored for later use in the donor are done by VITA 34. At the end of Q2 of 2007 the number of stem cell transplants stored with VITA 34 totaled more than 43,000, a multiple of that of the competition in VITA 34's target markets. The outstanding market position is also evident in the grown and unparalleled tight network, which, among other things, is bolstered by cooperation agreements with some 845 of the nearly 950 birthing clinics in Germany.

The goal of the company is to continue to develop into the unchallenged market leader in the market for the storage of stem cell preparations for later use by the donor. A look

across the borders shows that the potential for market expansion is significant. Whereas cord blood is stored in less than 2 percent of the 680,000 births annually in Germany, the percentage in the USA is more than 3 percent, and in Asian countries it is even up to 15 percent.

The goal of VITA 34 is to expand the market in the German-speaking countries, as well. International studies show that 14 percent of families, as soon as they are fully informed, would invest in the future care of their children by storing umbilical cord blood.

VITA 34, therefore, uses different information channels to inform parents. Apart from the use of different advertising media (print and online) this includes contact to multipliers

Umbilical Cord Blood Storage in Continuing Operations Segment (Before Cancellations)

		Units
Q1	2006	1,337
	2007	2,446
Q2	2006	1,698
	2007	2,550
Q3	2006	2,234
	2007	
Q4	2006	2,049
	2007	



such as physicians, midwives and birthing helpers, as well as actively addressing parents and associations. An additional pillar of the VITA 34 sales strategy for intensive market development is to form cooperative arrangements with private and public health insurance companies. This ensures that the information concerning the storage of stem cell preparations from cord blood attains a broad reach, associated with attractive offers for the cooperation partner members. For example, there is an agreement with the largest private health insurance company in Germany, Debeka.

In Q2 of 2007, VITA 34 was also successful in being the first cord blood bank ever to conclude a cooperation agreement with a public health insurance company, BKK FAHR. The VITA 34 expectation that the agreement would provide a signal for additional public health insurance companies has proven to be correct. Additional agreements were negotiated or already concluded after the conclusion of the second quarter.

Marketing and Sales in the First Half Year

In the first half year VITA 34 was successful in massively increasing the number of inquiries from expecting parents through consistent expansion of advertising lines. The increase was some 36 percent. The development was particularly successful thanks to print and Internet advertising activities, which showed an increase in inquiries of 50 percent.

By the end of the half year the VITA 34 sales force had been expanded further. In the course of the increased VITA 34 presence throughout Germany, the 10 sales regions were nearly completely staffed with regional directors.

The Tele Sales team was also expanded in the reporting period. The goal is to increase and stabilize telephonic and electronic contact after initial inquiries. In this way the rate of conversion resulting from the contacts is to be increased.

In all, the activities in marketing and sales are geared towards improving the number of contacts on the one hand, and on the other to increase the ratio of contracts that result. The refined pricing model developed and partially implemented in the market by VITA 34 is contributing to the latter. This entails solutions that are custom tailored to the financing requirements of different customers. Apart from the one-time payment at the beginning of the contract in conjunction with smaller payments in the following years that has been dominant up to now, models have been developed that contain a consistent flow of payments for the customers and for VITA 34 over the course of time.

VITA 34 is moving forward completely according to plan with regard to the implementation of its sales strategy. The second half year of 2007 will be characterized by additional personnel expansion, increased contact to expecting parents and, presumably, from additional cooperative agreements with health insurance companies.



2. REVENUE AND PROFIT SITUATION

In accordance with the IFRS accounting rules, VITA 34 International AG as of the end of the first half year differentiates between the continuing operations in VITA 34 AG and the discontinued operations in the US subsidiary CorCell. The new customer business of CorCell was sold in the fourth quarter of 2006 already, the existing business at the end of February 2007, such that CorCell no longer has an operative business.

VITA 34 increased the number of stored stem cell preparations to 4,996 in the first half of 2007. This contains some 600 transplants generated by contracts from the Spanish cooperation partner of VITA 34, Secuvita. Thus, the number of storage units increased by 65 percent in comparison with the prior year's period. In the second quarter a record storage number of 2,550 transplants was achieved, which is 50 percent more than in the prior year's quarter.

The revenues, which trail storage units by approximately 6 weeks, also increased significantly. Revenues increased by 51 percent in the first half of 2007 to 7.4 million Euro. The increase in Q2 was even stronger at 66 percent to 3.9 million Euro. This marks a new revenue record at VITA 34.

In the reported quarter the gross profit increased by 78 percent from 1.5 million Euro in the prior year to 2.7 million Euro. The gross margin increased to 70 percent as compared to 65 percent in the same period the prior year. In the first half year of 2007, the gross profit rose to 5.1 million Euro as compared to 3.3 million Euro in the first half year of 2006. The means an increase of

53 percent. The gross margin increase from 68 percent in the first six months of 2006 to 69 percent in the first half year of 2007.

Sales expenditures in the reported period were increased as planned to 1.8 million Euro. In the corresponding quarter the prior year sales expenditures were 1.4 million Euro. In the first half year of 2007, the sales expenditures were 3.4 million Euro as compared to 3.0 million Euro in the first half year of 2006. Some 30 percent of the sales expenditures were personnel costs. In the coming year an increase of this ratio to 40 percent is planned.

The administrative costs in the quarter reported increased to 0.6 million Euro as compared to 0.4 million Euro during the same quarter the prior year. In the first half year of 2007, the administrative costs were 1.2 million Euro as compared to 0.8 million Euro in the corresponding prior year's period. The increase in administrative costs is mainly attributable to the IPO in Q1 and the associated consequential costs for the exchange listing in Q2.

The EBIT of VITA 34 International AG in the second quarter of 2007 rose, despite investment in further company growth of more than 0.4 million Euro. In the same quarter in 2006, EBIT of minus 0.3 million Euro was reported. In the first half year of 2007, EBIT increased to 0.6 million Euro. At negative 0.3 million Euro the EBIT in the first half year of 2006 had still been negative.

The financial result in the reported quarter was negatively influenced by value adjustments resulting from the sale

of CorCell's existing business to Cord Blood America. Cord Blood America (CBA) paid half of the purchase price in stock. The 18.5 million CBA shares VITA 34 received were adjusted from 8 Euro cents to the current 3.6 Euro cents. In addition, VITA 34 has adjusted the value of a large part of the receivables owed by Cord Blood America down to 75,000 Euro.

The financial result in the quarter reported was minus 1.2 million Euro on account of this value adjustment totaling 1.1 million Euro. In the corresponding quarter the prior year, the financial result was minus 39 EUR'000. In the first half year of 2007, the financial results were negative 1.2 million Euro as compared to 76 EUR'000 in the first half year of 2006. The value adjustments were attributed to continuing business in the statement of profit and loss. They are completely offset by the profit from the sale of the US activities, which is listed in the discontinued operations. The profit earned in the first quarter from the discontinued operations was 1.3 million Euro.

The pre-tax profit from continuing operations was minus 0.8 million Euro in Q2 of 2007 correspondingly as compared to a pre-tax loss of 0.4 million Euro in the prior year's period. In the first half year of 2007, the pre-tax loss from continuing operations was 0.6 million Euro due to the aforementioned effects, as compared to a

loss of 0.4 million Euro in the first half year of 2006. After taxes a loss of 0.9 million Euro was posted for Q2 of 2007 as compared to a loss of 0.2 million Euro in the corresponding prior year's period. In the first half year of 2007, the result from continuing operations was minus 0.8 million Euro, following 0.3 million Euro in the first half year of 2006.

In the discontinued operations a loss of 0.1 million Euro was posted in the quarter reported. The Management Board assumes that no additional burden will be created by the divested US activities. Including the profit in the amount of 1.3 million Euro in the Q1 of 2007, resulting from the divestiture of the existing customer business of the US subsidiary CorCell, the profit in the discontinued business segment for the first half year of 2007 totaled 1.1 million Euro.

Altogether there was an annual result for the second quarter of 2007 of minus 1.0 million Euro, following 0.6 million Euro in the same quarter the prior year. Thus VITA 34 earned an annual surplus of plus 0.3 million Euro in the first half year of 2007. This, despite the value adjustment made, represents a notable improvement as compared to the first half year of 2006, in which there was an annual loss of 2.9 million Euro.

Sales Revenues in Continuing Operations Segment

		EUR'000
Q1	2006	2,566
	2007	3,524
Q2	2006	2,358
	2007	3,909
Q3	2006	2,796
	2007	
Q4	2006	3,836
	2007	

3. FINANCIAL AND ASSET SITUATION

The balance sheet of VITA 34 International AG was influenced at the end of the first half of 2007 by the successfully placed capital increase in the IPO and the positive development of the company. The **equity ratio** increased to 65 percent as of June 30, 2006, following 50 percent as of December 31, 2006.

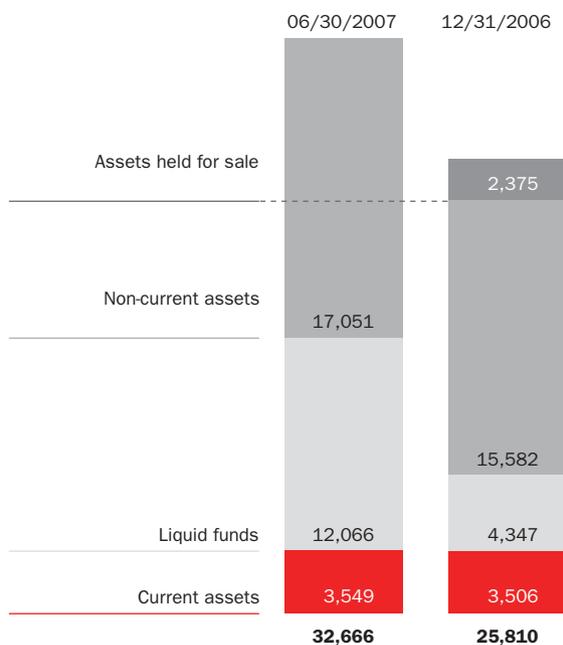
A contributing factor was the increase in share capital to 2,646,500 Euro from 2,046,500 Euro through the issue of 600,000 new shares. Above all, at an issue price of 15.00 Euro an additional 7.5 million Euro was able to be placed in capital reserves, which were 23.1 million Euro at the end of the first half year. They were, therefore, clearly above the level of 15.6 million Euro at the end of 2006. Thanks to the consolidated surplus in the first half year, retained earnings in the first half year improved to minus 4.5 million Euro as compared to minus 4.8 million Euro

at the end of 2006. The equity of VITA 34 International AG correspondingly totaled 21.3 million Euro at the end of the first half year, after being 12.9 million Euro six months earlier. The costs associated with the IPO were mostly offset against **equity** (capital reserves) as expenditures for raising capital.

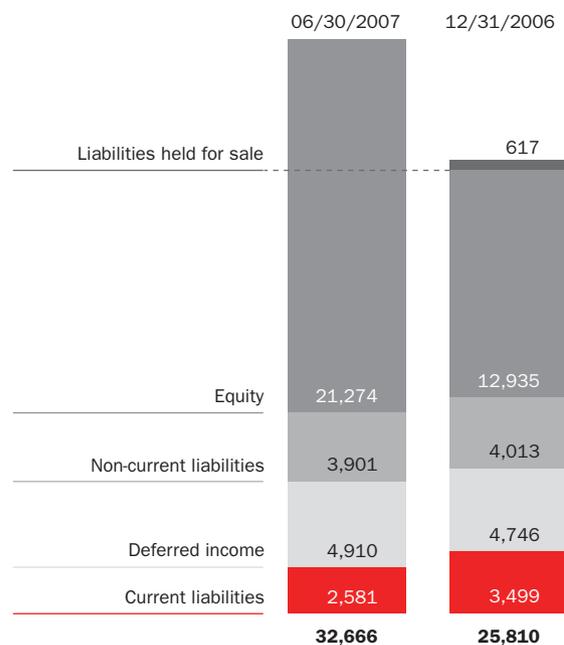
The **debt** on the balance sheet remained mainly unchanged in its structure. The largest item within the non-current liabilities and deferrals, the deferred income, consists of the storage fees collected in advance from the customers, which are dissolved linearly over the prepaid contract term. The change in the pricing model undertaken in 2005 to additional annual payments caused **deferred income** to rise in a below-average manner, amounting to 4.9 million Euro at the end of the half year as compared to 4.7 million Euro on the closing date in 2006.

Balance Sheet 2007 Prior Year Comparison (EUR'000)

Assets



Equity and liabilities





The **balance sheet total** increased to 32.7 million Euro as of June 30, 2007, as compared to 25.8 million Euro at the end of 2006.

The assets of the company at the end of the reported quarter showed a clear increase in **cash** as a consequence of the IPO. The sum was 12.1 million Euro as opposed to 4.3 million Euro at the end of 2006.

Within the non-current assets, **goodwill** remained unchanged at 11.9 million Euro, and represents the company value of the 100-percent subsidiary of VITA 34 AG. The entire operative business is bundled in VITA 34 AG.

The **cash flow from operating activities** was negative at approx. minus 1.0 million Euro in the first half of 2007. The reasons for this were the increase in accounts receivables due to the greater sales volume and the reduction in liabilities. The **cash flow from financing activities** was positive at 8.0 million Euro, decisively influenced by the IPO.

The Management Board of VITA 34 AG considers the company well equipped for the planned expansion of the growth strategy with regard to the asset and financial situation. Existing financial resources and equity will allow the strategy to be implemented to the fullest extent.

4. INVESTMENTS

In the first quarter of 2007 investments in plant and equipment and intangible assets were 0.4 million Euro and, therefore, nearly unchanged as compared to the previous year. The investments in the reported period were mainly in expanding the cryo and storage capacities at the company's headquarters in Leipzig. Moreover, in the IT area, additional process software was acquired and installed. There are no plans to significantly change the level of investment in the coming periods.

5. EMPLOYEES

The employees of VITA 34 play a central role in the growth strategy. Correspondingly, the number of full-time employees was increased to 84 in the first half year. Six new employees were hired in Q2.

At the end of 2006 VITA 34 had a total of 74 employees. At the end of the half year more than 49 employees were employed in the fields of sales and marketing, 33 percent work in the manufacturing and quality assurance area, thus in the VITA 34 laboratory, and the remaining 18 percent were located in the areas of finance and administration. The increase in the number of employees by some 14 percent was mainly in marketing and sales. This area will also experience the greatest growth in personnel in the coming quarters.



6. VITA 34 ON THE CAPITAL MARKET

The IPO on March 27, 2007 was, without a doubt, a high point in the 10-year company history for VITA 34. A total of 600,000 shares from a capital increase were placed with private and institutional investors at an issue price of 15.00 Euro. The resulting proceeds grossing 9 million Euro have placed VITA 34 in a position to completely implement the previously defined strategy for accelerating growth and the associated investment in the future. The first operative successes of this strategy were impressively demonstrated in the figures for the first half of 2007. Following the IPO, the share price dropped and reach a low point of 10.00 Euro on the Xetra at the beginning of May. Subsequently the share price recovered, not least due to intensive capital market communication, and rose clearly above 12 Euro. The stock closed the end of the half year at 11.85 Euro.

The trading volume of the shares was around 6,500 shares per day with significant fluctuations, thus reaching a level that should be interesting for institutional investors. The great majority of the volume is currently being traded via the Xetra electronic exchange.

Since the IPO, VITA 34 has made great efforts to maintain open and transparent communication with investors and the investment media with the goal of making the current positioning and associated perspectives clear. Consequently, the Management Board has presented to investors within the context of capital market conferences and numerous one-on-one conversations. Here, VITA 34 was met with great interest and a very positive response.

In addition, there were many contacts with financial media. Among other things this resulted in a purchase

INFORMATION AND KEY FIGURES ON THE SHARES

Admission Date	03/27/2007
Market Segment	Prime Standard
Symbol/Reuter Code	V3V/V3VGn.DE
WKN/ISIN	A0BL84/DE000A0BL849
Authorized Capital/Shares	2,646,500
Freefloat as of 06/30/2007	42%
Market capitalization as of 06/30/2007 In million EUR	31.4
Designated Sponsor	Close Brothers Seydler AG/Concord Effekten AG
Opening/High/Low/Closing price 2nd quarter 2007 (Xetra) in EUR	12.20/13.39/10.00/11.85

Xetra historical stock price since IPO – VITA 34 International AG



recommendation by one of the most prominent German investor magazines with a target share price of 30 Euro. The VITA 34 business model was additionally explained to the public in detail with broad distribution via electronic media thanks to the “maininvestor Company Talk” interview format. In particular, the stock was introduced to private investors through the various media measures.

To ensure a high level of liquidity of the stock with tight money/paper margins, VITA 34 commissioned a second designated sponsor in Quarter 2 of 2007, Close Brothers Seydler AG, in addition to Concord Effekten AG. Both service providers are also integrated into domestic and international investor communications. This will be supported in the future by an additional analyst study by a renown research firm, which was published in the first half of July.

VITA 34 will stay the course in capital market communications. Among other things, this includes timely publication of quarterly reports, the road show activities planned for Q3, as well as participation in the most important capital market conferences, which has already been agreed to. Moreover, the Management board is increasing contact to the original shareholders of VITA 34. Altogether, the Management Board is, therefore, optimistic that the positive operative development of the company and the share price on the stock exchange can be brought to coverage.

7. OPPORTUNITIES AND RISKS

The opportunities for the further business development of VITA 34 lie in the planned exploitation of the market potential in Germany. To this end, comprehensive measures have been initiated in the areas of marketing and sales. This is supplemented by cooperative sales arrangements. In the reporting period, BKK FAHR was acquired by VITA 34 as the first public health insurance company ever to become a partner for private umbilical cord blood storage in Germany.

The risks for VITA 34 are that the acceptance of private cord blood banking in Germany will grow more slowly than planned. Alternative medical developments, negative study results or negative media reports could also contribute to this. The contractual agreements with Cord Blood America, which among other things are the result of the sale of CorCell's core business, lead to receivables owed by Cord Blood America, the value of which may fluctuate. Accordingly, VITA 34 has adjusted the value of a large part of the receivables owed by Cord Blood America. Part of the purchase price was paid to VITA 34 in the form of Cord Blood America stock. The market value of these shares are subject to corresponding fluctuations. VITA 34 has also adjusted these items provisionally as of the end of the half year.



8. OUTLOOK

As fiscal year 2007 progresses, the company expects a continuation of the positive growth course. On an annual basis, the prognosis is for an increase in revenues of 20 to nearly 25 percent as compared to the prior year. In the case of storage units, which run ahead of revenues, an annual increase of some 30 percent is envisioned. Thus, VITA 34 would surpass the targets of the market and the analysts published to date.

Within the course of the growth strategy, expenditures for marketing and sales in fiscal year 2007 will be some 60 percent above the prior year's figures. VITA 34 has consciously planned for the temporary operating loss.

In the second half of the year, contact to multipliers for the services of VITA 34 will be expanded. In particular, this will include an additional support in the area of physicians, midwives, and birthing helpers. The declared goal, moreover, is to enter into additional cooperative agreements with private and public health insurance companies, to reach even more target customers for VITA 34 services via these strong partners. At the end of the first half year, the Management Board can report on very advanced discussions in this area, and is confident of being able to secure additional agreements in the second half of the year.

To additionally support sales, an intensive review is currently being conducted into a careful expansion of the VITA 34 range of services beyond autologous cord blood banking. The goal of such activities would always be to

increase awareness and acceptance of the core product – autologous cord blood banking – with additional services for the target group.

Apart from the outlined plans for 2007, the company is adhering unchanged to the already communicated objectives up to 2009: Doubling of total operating performance as compared to 2007 and to be in the black as of 2009.

9. DECLARATION OF THE MANAGEMENT BOARD

To the best of our knowledge we assure that in accordance with the applied principles of orderly consolidated interim reporting, the abbreviated, consolidated interim report according to IFRS provides a representation of the asset, financial and profit situation of the group that corresponds with the actual situation, the consolidated interim report presents the course of business including the operating result and the situation of the group in such a manner, that a impression is conveyed that corresponds with the actual circumstances, and that the major opportunities and risks of the probable development of the group in the remaining fiscal year are described.

Leipzig, July 16, 2007

Dr. Eberhard Lampeter

Peter Boehnert

3/ CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as of June 30, 2007

1. CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

EUR'000	NOTE	04/01/ – 06/30/2007	04/01/– 06/30/2006	01/01/– 06/30/2007	01/01/– 06/30/2006
Continuing operations					
Revenues		3,909	2,358	7,433	4,924
Cost of sales		-1,192	-834	-2,317	-1,587
Gross profit		2,717	1,524	5,116	3,337
Other operating income		32	27	135	158
Selling expenses		-1,760	-1,445	-3,384	-2,977
Administrative expenses		-625	-411	-1,210	-817
Other operating expenses		-9	-7	-38	-17
Net operating income		355	-312	619	-316
Finance revenues		106	14	150	26
Finance costs	5.3/5.4	-1,309	-53	-1,360	-102
Earnings before taxes		-848	-351	-591	-392
Income tax expense	5.6	-84	105	-240	92
Profit for the year from continuing operations		-932	-246	-831	-300
Discontinued operation					
Profit/Loss for the year from discontinued operations	5.9	-104	-331	1,149	-2,581
Profit/loss for the year	5.7	-1,036	-577	318	-2,881
Earnings per share, basic/diluted (EUR)		-0.39	-0.28	0.13	-1.41
Earnings per share from continuing operations, basic/diluted (EUR)		-0.35	-0.12	-0.35	-0.15

2. CONDENSED CONSOLIDATED BALANCE SHEET (ASSETS)

EUR'000	NOTE	06/30/2007	12/31/2006
Non-current assets			
Goodwill		11,911	11,911
Intangible assets		579	533
Property, plant and equipment		2,346	2,182
Equity investments	5.3	659	0
Other financial assets	5.4	110	35
Deferred tax assets		308	317
Non-current trade receivables		1,138	604
		17,051	15,582
Current assets			
Inventories		625	605
Trade receivables		1,082	951
Other receivables and assets		780	802
Deferred capital issue charges		0	148
Short-term investments		9,202	2,318
Restricted cash	5.5	1,062	1,000
Cash and cash equivalents	5.5	2,864	2,029
		15,615	7,853
Assets of a disposal group classified as held for sale		0	2,375
		32,666	25,810

CONDENSED CONSOLIDATED BALANCE SHEET (LIABILITIES)

EUR'000	NOTE	06/30/2007	12/31/2006
Equity			
Issued capital	5.8	2,647	2,047
Capital reserves	5.8	23,104	15,629
Revenue reserves	5.8	-4,519	-4,837
Other reserves	5.8	42	96
		21,274	12,935
Non-current liabilities and deferred income			
Interest-bearing loans		1,687	1,750
Silent partners' interests		1,445	1,442
Provisions		344	375
Deferred grants		425	446
Deferred income		4,910	4,746
		8,811	8,759
Current liabilities and deferred income			
Trade payables		394	784
Provisions		272	761
Income tax liabilities		324	111
Interest-bearing loans		214	214
Deferred grants		59	59
Other liabilities		979	1,270
Deferred income		339	300
		2,581	3,499
Liabilities associated with a disposal group classified as held for sale		0	617
		32,666	25,810

3. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR'000	NOTE	01/01-06/30/2007	01/01-06/30/2006
Cashflow from operating activities			
Earnings before taxes		-591	-392
Adjusted for:			
+/- Amortization and depreciation		169	125
+/- Other non-cash expenses and income		-41	108
+/- Finance expenses and revenues		1,245	0
+/- Deferred grants		-21	-29
Cashflow from ordinary operations:			
+/- Trade receivables and other receivables and assets		-677	-474
+/- Inventories		-20	-36
+/- Trade payables and other liabilities		-681	52
+/- Provisions		-520	66
+/- Deferred income		203	190
Income taxes paid		-18	-12
Cashflow from operating activities		-952	-402
Cashflow from investing activities			
Purchase of intangible assets		-107	-103
Purchase of property, plant and equipment		-311	-178
Proceeds from sale of equipment		33	0
Cashflow used in investing activities		-385	-281
Cashflow from financing activities			
Proceeds from issuance of share capital		8,074	0
Changes in silent partnerships		3	6
Changes of loans		-64	-837
Cashflow from financing activities		8,013	-831
Change in cash and cash equivalents from discontinued operations			
from operating activities		-120	-735
from investing activities		1,342	0
from financing activities		0	760
Cashflow used in discontinued operations		1,222	25
Net change in cash and cash equivalents		7,898	-1,489
Cash and cash equivalents at the beginning of the reporting period		3,029	6,647
Net foreign exchange difference		-7	0
Cash and cash equivalents at the end of the reporting period	5.5	10,920	5,158
Short-term investments		2,208	0
Restricted cash	5.5	-1,062	-1,000
Liquid funds		12,066	4,158

4. CONDENSED CONSOLIDATED STATEMENT OF EQUITY

EUR'000	ISSUED CAPITAL	CAPITAL RESERVE	REVENUE RESERVES	OTHER RESERVES	TOTAL EQUITY
January 1, 2006	2,047	15,629	-1,971	-64	15,641
Foreign currency translation				86	86
Profit/loss for the year			-2,881		-2,881
Total income and expense for the period	0	0	-2,881	86	-2,795
June 30, 2006	2,047	15,629	-4,852	22	12,846
January 1, 2007	2,047	15,629	-4,837	96	12,935
Foreign currency translation				-54	-54
Profit/loss for the year			318		318
Total income and expense for the period	0	0	318	-54	264
Issue of share capital	600	8,400			9,000
Transaction costs		-925			-925
	600	7,475	0	0	8,075
June 30, 2007	2,647	23,104	-4,519	42	21,274

5. APPENDIX TO THE UNAUDITED ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

5.1 Company Information

The parent company VITA 34 International AG (the "Company") headquartered in Leipzig (Germany), Deutscher Platz 5 a, registered under HRB 20339 in the Commercial Register of the Leipzig District Court, is purely a holding company. Its subsidiary companies (referred to along with the Company as "Group") are active in the field of umbilical cord blood storage. The purpose of the company is the collection, preparation and storage of stem cells from umbilical cord blood, as well as the development of cell therapy processes.

The unaudited abbreviated financial statements for the period from January 1 until June 30, 2007 were approved for publication by the Management Board on July 11, 2007.

5.2 Accounting and Valuation Principles

Basis for the Preparation of the Financial Statements

The preparation of the group interim financial statements for the period from January 1 until June 30, 2007 has been conducted in accordance with IAS 34 "Interim Financial Reporting."

The group interim financial statements do not contain all of the explanations and information prescribed for the annual financial statements and should be read in conjunction with the group financial statements as of December 31, 2006.

Significant Accounting and Valuation Methods

The accounting and valuation methods used to prepare the group interim financial statements correspond with the methods used in the preparation of the group financial statements for the fiscal year as of December 31, 2006. As of fiscal year 2007, the consolidated financial statements have been prepared in accordance with IFRS, as approved by the EU.

The standards and interpretations required to be used for the first time starting January 1, 2007 resulted in no significant effects on the interim financial statements.

Based on new information, the following additions are made to the accounting and valuation methods described

in the consolidated financial statements of December 31, 2006 with regard to the financial assets:

Financial assets available for divestiture are those non-derivative financial assets that are classified as available for divestiture and not under the categories:

- :: Financial assets valued with an effect on income at the attributable time value,
- :: Loans and receivables

After the first use the assets held for divestiture are valued at the attributable time value, whereby profits or losses are covered in a separate line item of equity. At the point in time at which the financial investments are closed out or a value reduction is determined for the financial investment, the cumulative profit or loss recorded in equity are determined with an effect on income in the statement of profit and loss.

The attributable time value of financial investments, that are traded on organized markets, are determined by referencing the price quoted on the stock exchange on the closing date of the financial statements.

5.3 Participations

Shares in Cord Blood America Inc., Los Angeles/USA, acquired within the context of divesting of the business operations of the USA geographic segment (see Section 5.9) have been classified as financial assets available for divestiture. The valuation of the shares was done at the quoted price on the closing date of the financial statements.

The acquired shares are subject to trading restrictions, resulting in a classification of the shares as non-current assets. The designation as a participation has been done based on a partial assignment of voting rights arising from the shares.

In the second quarter of 2007 an adjustment affecting profits in the amount of 863 EUR'000 was made as a consequence of a significant and apparently permanent drop in the stock price of the shares in Cord Blood America Inc., Los Angeles/USA. The adjustment was made in the consolidated statement of profit and loss and in the financial expenditures.

5.4. Other Financial Assets

Loans made within the course of selling the new business "Collection and Preparation of Stem Cells from Umbilical Cord Blood," as well as the subsequent existing business of "Storage" on the US market (see Section 5.9), to Cord Blood America Inc., were also adjusted due to the impending payment difficulties of the buyer.

Here, one loan without existing conversion options was completely written off, and a loan with conversion options was adjusted to the applicable time value of the shares to be received in the course of conversion (market price on the closing date of the financial statements) of 75,000 Euro. The total adjustment, in the amount of 272,000 Euro was made in the consolidated statement of profit and loss, also under financial expenditures.

5.5 Cash and Cash Equivalents

For the purposes of the group statement of cash flows, the cash and cash equivalents consist of the following:

EUR'000	06/30/2007	06/30/2006
Cash and cash equivalents	2,864	4,159
Restricted cash	1,062	1,000
	3,926	5,159

5.6 Income Taxes

The significant components of the income tax expenditures listed in the abbreviated consolidated profit and loss statement consist of the following:

EUR'000	01/01– 06/30/2007	01/01– 06/30/2006
Income tax		
Income tax expense	231	12
Deferred taxes		
Accrual and reversal of temporary differences	9	-104
Declared income tax expense	240	-92

5.7 Segment Reporting

Segment reporting is done solely in accordance with geographic segments: Segment reporting according to business segments is not done, since the group deals exclusively with the storage of umbilical cord blood.

The geographic segments of the group are determined according to the location of the asset. Sales to external customers, which are indicated in the geographic segments, are assigned to the individual segments according to the geographic location of the customer.

The following table contains information on sales revenues and segment results of the geographic segments of the group for the period from January 1 to June 30, 2007, or 2006.

The information presented under "USA" refer to the abandoned business segment. The divestiture of this business segment was completed on February 28, 2007. Only the sales revenues and the segment results for the period from January 1 to February 28, 2007 are listed under "USA."

01/01/-06/30/2007

EUR'000	EUROPE	USA	TOTAL
Sales revenue			
Revenues	7,433	104	7,537
Segment revenue	7,433	104	7,537
Other segment information			
Segment profit/loss	707	1,149	1,856
Miscellaneous profit/loss			-1,538
Annual profit			318

01/01/-06/30/2006

EUR'000	EUROPE	USA	TOTAL
Sales revenue			
Revenues	4,924	1,306	6,230
Segment revenue	4,924	1,306	6,230
Other segment information			
Segment profit/loss	-216	-2,581	-2,797
Miscellaneous profit/loss			-84
Annual loss			-2,881

5.8 Registered Capital and Capital Reserves

Within the context of its IPO, VITA 34 International AG placed 600,000 shares in a capital increase. The issue price for the shares was set at 15.00 Euro in coordination with the leader of the syndicate, Concord Effekten AG. The first notice of the shares on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange took place on March 27, 2007. The registered capital was increased by 600 EUR'000. The IPO brought 9,000 EUR'000 net into the group.

The costs of the capital issue in the amount of 925 EUR'000 were offset against capital reserves. Deferred taxes were not taken into consideration, since on a company level the utility of losses carried forward would only have existed under certain conditions, the fulfillment of which can be deemed as unlikely at present.

5.9 Abandonment of the "USA" Geographical Segment

The closely associated value creation fields of the new business "collection and preparation of stem cells from umbilical cord blood" ("Processing" in short form), as well as the subsequent existing business of "Storage" of the US market, which was dealt with exclusively by the CorCell Inc. subsidiary, was sold by CorCell Inc. to Cord Blood America Inc., Los Angeles/USA, with agreements dated October 10, 2006 (Asset Purchase Agreement and Existing Samples Purchase Agreement) within the course of an asset deal.

The assets and liabilities of the Processing segment were sold without reservation effective October 1, 2006. In this context all employees of the Processing segment were transferred to the acquiring company. The sale price was US\$ 1.00. The closing of the partial transaction took place on October 10, 2006, effective retroactively to October 1, 2006.

The Storage segment was sold contingent upon the buyer receiving the corresponding purchase price financing. Once the postponing contingency was fulfilled by a realization of the financing on February 28, 2007 the Storage segment was also ultimately sold. The sale price was 3,028 EUR'000 (3,998 US\$'000). The payment of the purchase price in the amount of 1,136 EUR'000 (1,500 US\$'000) in cash and in the amount of 1,541 EUR'000 (2,035 US\$'000) in stock of the acquiring company (18,498,715 shares at the current market price as of the actual time of the transaction 0.08 EUR/share). 351 EUR'000 (462 US\$'000) of the purchase price was granted as a loan to the acquiring company. The closing of the partial transaction took place on February 28, 2007.

With goodwill in the amount of 2,215 EUR'000 and additional divested assets in the amount of 249 EUR'000, and liabilities transferred in the amount of 689 EUR'000 of the USA segment, there was a profit of 1,253 EUR'000 from the sale.

In the valuation of goodwill, the payment flows arising from the continuation of the storage business as of December 31, 2006 were taken as a basis. This was based on the fact that the Management Board did not consider it very probable at that time that the buyer would be able to obtain financing. The goodwill determined as of December 31, 2006 was, therefore, less than the contractually agreed purchase price.

CorCell Inc. remains a part of the VITA 34 International AG group as a subsidiary after this divestiture of the operating business.

The information on the results from the "USA" business segment listed are in the segment report (Section 6), and the information on the net cash flows are in the statement of cash flows.

5.10 Information on Relationships to Friends and Family

The following table contains the total amounts arising from transaction between friends and family in the period from January 1 to June 30, 2007 and 2006:

EUR'000	01/01–06/30/2007	01/01–06/30/2006
A Supervisory Board member is Chairman of the US law firm Dilworth Paxon. Legal services in the following amount were provided by Dilworth Paxon:	97	22
Remuneration of persons in key group positions:		
- Supervisory Board remuneration	28	27
- Management Board salaries (incl. deferred bonus)	432	360

1. FINANCIAL CALENDAR

July 31, 2007	Regular General Shareholder's Meeting in Leipzig
October 31, 2007	Publication of Quarter 3, 2007 Interim Report

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VITA 34 on the Internet: www.vita.34.com

