

# INTERIM REPORT

January to June 2009



# CONSOLIDATED KEY FIGURES

		04/01- 06/30/2009	04/01- 06/30/2008	01/01- 06/30/2009	01/01- 06/30/2008
<b>STEM CELL PREPARATIONS</b>					
Umbilical cord blood storages	Number	2,677	2,853	5,125	5,306
<b>PROFIT / LOSS</b>					
Revenues	EUR k	3,623	3,605	7,025	7,187
Gross profit	EUR k	2,311	2,349	4,581	4,734
EBIT	EUR k	16	-784	-179	-1,129
Period result	EUR k	68	-753	4	-665
				<b>06/30/2009</b>	<b>06/30/2008</b>
<b>BALANCE SHEET / CASH FLOW</b>					
Total assets	EUR k			29,573	30,377
Equity	EUR k			18,146	19,079
Equity ratio	%			61.4	62.8
Liquid funds including other financial assets	EUR k			6,582	8,032
Capital expenditures*	EUR k	136	163	207	399
Depreciation*	EUR k	198	108	328	209
Cash flow from operating activities	EUR k	482	-277	-1,019	-2,150
<b>EMPLOYEES</b>					
Employees (as of June 30)	Number			107	120
Personnel expenditures	EUR k			2,585	2,810

\*Information for tangible and intangible assets

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# LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Bad news is fairly frequent nowadays. This is why we are all the more pleased that VITA 34 International AG increased revenues in Q2 2009 and, above all, is again in the black. We earned revenues of EUR 3.6 million. Our storages of umbilical cord blood transplants rose to 2,677 in Q2 and we have achieved an EBIT of more than EUR 16 k.

With this essentially “black zero” as earnings before interest and taxes we have ended the loss phase planned, which has started at the end of 2007. During this time we have increased our marketing and sales expenditures, in order to solidify and expand the VITA 34 positioning. We have developed new product variants and have placed them now in the market. Now that this line-up has been adjusted, profitability is again at the top of our agenda.

Thus, we are continuing a series that started a year ago. At that time, in Q2 2008, VITA 34 had an EBIT of EUR -0.8 million, one quarter later it was EUR -0.6 million and already somewhat smaller, in the final quarter of the year it was only EUR -0.5 million, and in Q1 2009 only EUR -0.2 million. This development took place in an economic environment that had a historically negative dimension. The downturn in the economy, along with other economic factors, forced VITA 34 to lower its revenue targets, however, we never touched the declared goal of “profitability in 2009” and can now announce the completion of the first step.

However, it is just as important that we have been successful in defending. We remain the leading private umbilical cord blood bank in the German-speaking countries. We have performed more than 60.000 storages with the proven VITA 34 quality, which is evident in the training of our clinical partners, the frictionless, fast logistics and the meticulous and tested processes in the laboratory and during storage.

We use this VITA 34 quality in order to offer our customer premium packages, which supplement our previous services with additional medical and genetic tests and other preventative services. These products, offered under the VITA 34 max name are now requested by some 25 percent of our new customers. A figure that shows us that we are on the right path.

We also had a good second quarter with regard to the number of contracts closed; they precede storages by about one month and revenues by roughly 2 months, and the weakness at the end of 2008 and in Q1 2009 was possible to overcome. Again, our Spanish partner Secuvita made a significant contribution, which directed nearly a third of new umbilical cord blood transplants to our Glass Laboratory in Leipzig, accounting for nearly 16 percent of revenue in the first half year.



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

Following Austria, Switzerland, Spain and Slovenia, we want to address an additional market in the coming quarters. We have placed special emphasis on those countries that demonstrate a high level of willingness to make private expenditures in healthcare, and in which the regulatory prerequisites for the storage of umbilical cord blood exist. When we engage in selected countries, either alone or with a local partner, it is important to us that this investment is manageable and profitable already after two years.

In Germany, we have further expanded our cooperative agreements with private health insurance companies. In the meantime, 38 health insurers support the storage of umbilical cord blood with VITA 34. The insured parties receive a corresponding price reduction off the storage. We are optimistic about being able to attract additional partners in the coming months. We also have received momentum, thanks to the increasing successes in the use of stem cells from the patient's own umbilical cord within the context of therapies and regenerative medicine.

Research results and reports on the autologous use of umbilical cord blood from VITA 34, presented at the 24<sup>th</sup> Perinatal Congress at the beginning of May 2009 in Berlin confirm that the body's own stem cells from umbilical cord blood have a high potential in the successful treatment of early childhood brain damage, congenital heart valve defects and Type 1 diabetes.

VITA 34 and the Technical University Munich have now also begun a study in Germany on the effectiveness of stem cells from umbilical cord blood in Type 1 diabetes therapy. We are confident with regard to the results. A similar study in the USA in 2007 showed very promising results.

In the case of early childhood brain damage, a team from Ruhr University under the direction of Professor Arne Jensen successfully treated brain damage for the first time in Germany with autologous umbilical cord blood. It had been stored at VITA 34.

We are, therefore, optimistic, regarding the medical prospects of our service, but also with regard to the economic outlook for our company. We expect that our 2009 goal of being able to write at least a black zero when it comes to EBIT on an annual basis will be achieved.

Leipzig, July 14, 2009

Dr. Eberhard Lampeter

Peter Boehnert

# GROUP INTERIM REPORT

01/01 to 06/30/2009

## 1 SUMMARY

With a market share in Germany of some 66 percent when it comes to the storage of umbilical cord blood transplants, VITA 34 is the leading umbilical cord blood bank in the German-speaking countries. The VITA 34 services are offered in different countries and in different variants, which are associated with different pricing models. In its international expansion, VITA 34 is increasingly using its expertise as the oldest and most experienced private European blood bank. Legislation in several European countries has been adapted to EU requirements. Thus, the market entry conditions for the VITA 34 have improved.

VITA 34 offers expecting parents a preventative care service for their newborn child. The blood taken from the umbilical cord directly after birth contains the youngest adult stem cells there are. These valuable stem cells can later be used in treating severe diseases and in regenerative medicine. The stem cells are prepared by VITA 34 in the Glass Laboratory at the company's headquarters in Leipzig, and they are stored in the gaseous phase of liquid nitrogen at approx. negative 196 degree Celsius until a possible use.

The extent to which the target group of expecting parents thinks that the storage of umbilical cord blood makes sense and the extent to which they can allocate the financial resources for it, is decisive for the business development of VITA 34. Extensive information is intended to increase the acceptance of the private storage of umbilical cord blood transplants in Germany. Domestically the storage rate as compared to all births is only around 2 percent. In Asian countries, on the other hand, up to 15 percent are already achieved.

Due to the noticeable darkening of the economy in Germany, there should be a reduction in private consumption, as well. Since VITA 34 offers a really sensible service and is also expanding in Europe, the company is confident, though, that it will continue to grow.

Product differentiations also contribute to additional growth, as they take the varying demands of different customer groups into consideration. For example, there has been a variant since the end of Q3 2008, in which the umbilical cord blood storage is combined with a genetic test of the blood. This allows different diseases to be detected. This product "VITA 34 max" is already requested by 25 percent of new customers.

## 2 REVENUE AND PROFIT SITUATION

The number of stored stem cell preparations in Q2 2009 was 2,677 and, therefore, 9.4 percent higher than Q1 which had 2,448 storages. As compared to Q2 2008, when 2,853 preparations had been stored, there was a slight decline. In all, in the first half year of 2009 the number of storages declined slightly from 5,306 in the corresponding period the previous year to 5,125. Here, there was a positive development with regard to storages for Spanish partner Secuvita.

Revenues, which trail storages by one to two months, were with EUR 3.6 million in Q2 at the level of Q2 of the prior year. In the first half year of 2009 they were EUR 7.0 million as compared to EUR 7.2 million in the prior year's period.

The gross profit from sales in Q2 2009 of EUR 2.3 million was also at the prior year's level. In the first half of the year the gross profit declined slightly from EUR 4.7 million in the prior year to EUR 4.6 million. Here, it should be taken into consideration that the storages for Secuvita continued to increase in the reporting period. These are characterized by a lower gross margin, yet the storages from Spain do not incur any marketing or sales expenditures for VITA 34.



The marketing and sales expenditures dropped in Q2 significantly to EUR 1.8 million following EUR 2.7 million the prior year. In the first half year of 2009 the marketing and sales expenditures dropped from EUR 5.0 million in the prior year's period to EUR 3.9 million. Among other things, this can be traced to increased efficiencies in sales. In addition, administrative costs were lower in Q2 2009 at EUR 0.6 million following EUR 0.7 million the year before. In the first half of the year they were reduced based on planned savings from EUR 1.3 million in the previous year to EUR 1.2 million.

The earnings before interest and taxes, EBIT, reached positive territory in Q2 with EUR 16k, in the wake of EUR -0.8 million the year before. In the first half of 2009 EBIT improved clearly to EUR -0.2 million. A year before it was EUR -1.1 million. In the second quarter the financial profit was EUR 80k following EUR -171k the prior year. The financial profit in the first half year was EUR 91k as compared with EUR -76k the year before.

In accordance with IFRS there was a tax burden of EUR 28k in Q2, as compared with a tax yield of EUR 0.2 million in the corresponding prior year's period. There was a positive tax effect of EUR 92k in the first half of 2009 arising from deferred taxes following EUR 0.3 million in the prior year's period.

Altogether the profit from continued operations in Q2 2009 improved significantly from EUR -0.8 million the prior year to EUR 68k.

This also corresponds with the respective period profit. In the first half year of 2009 the profit from continued operations clearly turned around from EUR -0.9 million the prior year to EUR 4k. This corresponds with the period profit/loss for the first half of 2009. In the prior year there was still a profit of EUR 0.2 million from a discontinued operation, the activities in the USA. Thus, the period profit/loss for the first half year of 2008 was a total of EUR -0.7 million.

### 3 FINANCIAL AND ASSET SITUATION

#### Financial Situation

In Q2 2009 cash increased by EUR 0.9 million. Cash and cash equivalents decreased by EUR 1.7 million in the first half year. A major part of the change in cash was the result of operating activities. Following a cash flow from operating activities of EUR -1.5 million in Q1 2009, in Q2 a positive cash flow from operating activities of EUR 0.5 million was achieved. In the first half year of 2009 the operating cash flow totaled EUR -1.0 million, following EUR -2.2 million the prior year. The increase in receivables had a negative effect in the first half of 2009 in the amount of EUR 0.4 million. Liabilities were reduced in the amount of EUR 0.6 million in the first half year.

The cash flow from investing activities was EUR -1.1 in the first half year of 2009. Altogether, in the first half year EUR 1.0 million was attributable to the acquisition of short-term financial assets. The cash flow from financing activities was positive in the first half year of 2009 at EUR 0.4 million.

#### Assets

Unchanged, VITA 34 International AG has a solid balance sheet structure. As of June 30, 2009, the equity ratio was 61.4 percent and had increased slightly as compared to the status at the end of 2008 when it was 60 percent. The balance sheet total decreased slightly to EUR 29.6 million as of June 30th, as compared to EUR 30.3 million at the end of 2008.

# VITA 34 and the Technical University Munich work together on a clinical trial on the effectiveness of umbilical cord blood stem cells in the therapy of Type 1 diabetes.

Non-current assets of EUR 19.3 million continued to represent the majority of the assets. As compared with December 31, 2008 with a level of EUR 19.8 million, this value changed only slightly. The largest item within the non-current assets is the goodwill of VITA 34 AG, which remained unchanged and is listed in the VITA 34 International AG balance sheet at EUR 11.9 million.

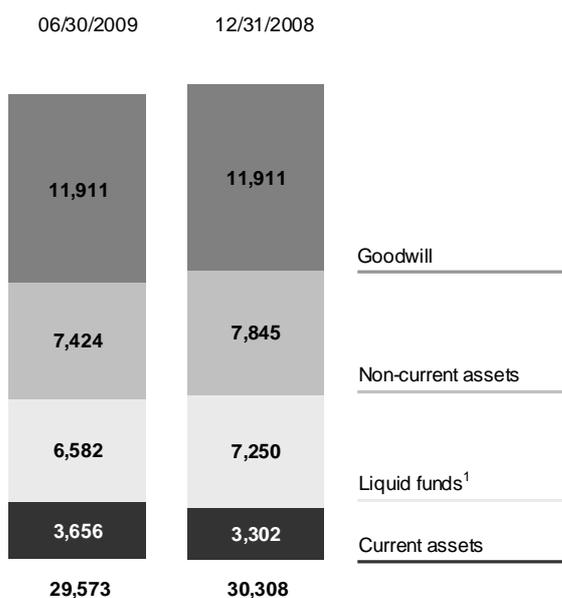
The current assets decreased from EUR 10.6 million at the end of 2008 to EUR 10.2 million as of June 30, 2009. This can mainly be attributed to the reduction of liquid funds, which decreased from EUR 7.3 million to EUR 6.6 million.

On the liabilities side of the balance sheet the equity as of June 30, 2009 was EUR 18.0 million and, thus, at the same level as year's end 2008. The registered capital remained constant at EUR 2.6 million.

The long-term liabilities and deferred income dropped slightly in the first half of 2009 to EUR 8.4 million, following EUR 8.6 million at the end of 2008. As of June 30, 2009, the largest item here was deferred income totaling EUR 5.3 million. This is where the storage fees for the stem cell preparations paid by customers in advance are contained. The storage fees are dissolved linearly over the prepaid term.

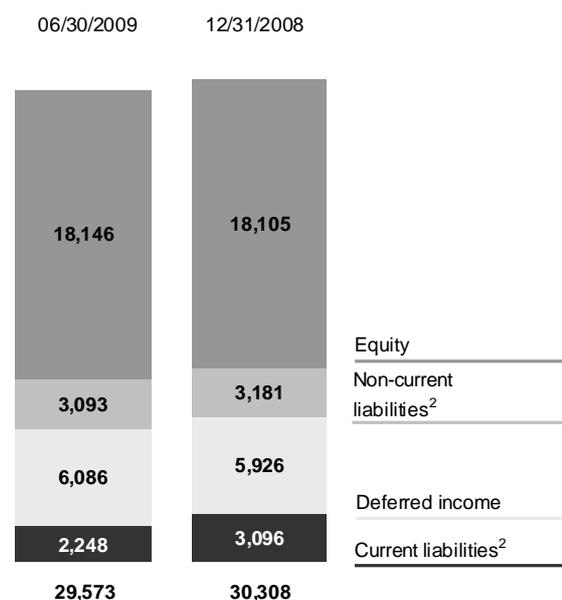
The current liabilities and deferred income decreased significantly by EUR 0.6 million from EUR 3.6 million at the end of 2008 to EUR 3.0 million as of June 30, 2009. Here, the liabilities were significantly reduced from EUR 1.1 million at the end of 2008 to EUR 0.4 million at the end of June 2009.

## ASSETS



<sup>1</sup> Including Other financial assets

## EQUITY AND LIABILITIES



<sup>2</sup> Excluding Deferred income



#### 4 INVESTMENTS

In Q2 2009 VITA 34 made investments in plant and material and intangible assets in the amount of EUR 0.1 million. As compared with the first half year of 2008, the investments of EUR 0.2 million were under the level of the prior year, in which EUR 0.4 million were spent. The investments in the reported period were mainly in new acquisitions in the laboratory and in expanding the cryo and storage capacities at the company's headquarters in Leipzig. Moreover, in the IT area, VITA 34 acquired and installed additional process software. It is expected that there will be no significant change in investment activity in the coming quarter.

#### 5 EMPLOYEES

VITA 34 employed 107 people in the group as of June 30, 2009 (without trainees and temporary workers). As a result of headcount adjustments, this meant a reduction of the number of employees by 13 as compared to June 30, 2008.

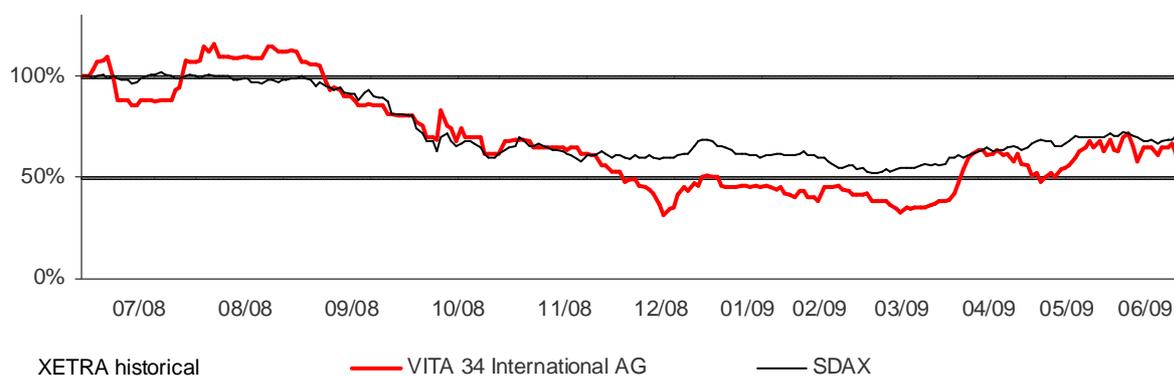
At the end of Q2 there were 25 employees in the Commercial department, 43 in Production and Quality Assurance, and 37 employees in Marketing and Sales. Based on an internal restructuring 10 persons from the Marketing and Sales department were assigned to Production and Control at the beginning of the year.

#### 6 VITA 34 ON THE CAPITAL MARKET

The VITA 34 shares were able to significantly increase their trading price by 30 percent in the first half of 2009 and, therefore, fared better than the overall German stock market, which in total barely changed. After a year-end closing price of EUR 3.00, the VITA shares rose to EUR 3.90 by the end of June 2009. Here, the share price booked an increase of 56 percent in Q2 alone. At the beginning of the year 2009 the shares had fallen back to a low of EUR 2.11 on March 11<sup>th</sup>. In the course of the spring it was able to rise significantly. On June 12<sup>th</sup>, the VITA shares reached the high of EUR 4.65 in the first half of 2009.

As for the VITA shares, the market trend in the first half year of 2009 on the stock markets was divided: In Q1 there were harsh setbacks, whereas in Q2 the share prices recovered markedly. For example, the German Stock Index DAX was at the level of year's-end 2008 at the end of June 2009. Here, the DAX achieved an increase of plus 18 percent in Q2, after a setback in Q1. The SDAX, which is an indicator for second tier stocks, followed a similar course. Overall in the first half year of 2009, the SDAX showed an increase of nearly 3 percent. This was achieved by an increase in the second-tier index in Q2 of 22 percent.

The average trading volume of VITA shares was roughly at the level of the prior year. Per day an average of 2,465 shares were traded in the first six months of 2009. Of this, some 90 percent was on the Xetra electronic trading system, which again proved to be the most liquid exchange. ICF Kursmakler AG as designated sponsor for VITA 34 ensures tight margins between two-way prices.



The purchases of their own company's shares show how convinced the Management Board is regarding the future outlook for the company. Accordingly, Management Board Chairman of VITA 34 International AG, Dr. med. Eberhard Lampeter bought more than 23,000 VITA shares in the middle of March 2009, of which 6,000 shares were passed on to employees of VITA 34. The percentage of VITA shares held by founders and management is now 15.0 percent. The largest single shareholder since the IPO is an American health insurance company with a share of 20.7 percent. Unchanged, Landesbank Baden-Württemberg holds 15.8 percent. The free float in accordance with the definition of Deutsche Börse AG is 48.5 percent and is, therefore, also attractive for institutional investors.

VITA 34 is listed in the Prime Standard segment, the quality segment, of Deutsche Börse AG. In the first half year of 2009 the company placed a great deal of emphasis on transparent, timely and extensive communication with investors, analysts and financial journalists.

For example, in Q2 VITA 34 presented the latest developments and the prospects for the company to institutional investors in roadshows.

VITA 34 will continue to communicate closely with the financial community and will present itself at important capital market conferences such as the Deutscher Eigenkapitalforum [German Equity Forum] in November 2009.

The Investor Relations section of the website offers extensive information on the VITA 34 shares. VITA 34 is always available for investor questions via email at [ir@vita34.de](mailto:ir@vita34.de)

## 7 RISKS AND MARKET OPPORTUNITIES

The risks and market opportunities for VITA 34 have not changed significantly from those contained in the 2008 Annual Report.

### INFORMATION AND KEY FIGURES ON THE SHARES

Ticker symbol / Reuters symbol	V3V / V3VGn.DE
Securities number / ISIN	A0BL84 / DE000A0BL849
Initial quotation	03/27/2007
Market segment	Prime Standard
Index	CDAX, Prime All Share, Technology All Share, Prime IG Biotechnology
Opening / High / Low / Closing price 2 <sup>nd</sup> quarter 2009 (Xetra)	3.00 EUR / 4.65 EUR / 2.11 EUR / 3.90 EUR
Number of shares issued	2,646,500
Freefloat as of 06/30/2009	48.5%
Market capitalization as of 06/30/2009	10.3 Mio. EUR
Designated Sponsor	ICF Kursmakler AG

# At VITA 34 stored umbilical cord blood was applied for the first time in the case of early childhood brain damage.

## 8 OUTLOOK

In Q2 2009 VITA 34 International AG already had greater revenues and an additional profit improvement as compared with Q1 2009. This development should continue in the further course of the year. VITA 34 expects revenues and profits for the second half of 2009 to exceed the reference figures of the first half year. For the year as a whole, without change a black zero is anticipated with regard to EBIT. The increasing profitability is an expression of the good positioning of the market leader VITA 34, the efficient processes and procedures and the optimized sales and marketing strategy. VITA 34 expects that the business development in the next two years will be characterized overall by a moderate increase in revenues.

In Q1 2009 we entered into a cooperation agreement with the Slovenian company Izvorna Celica. Even if the Slovenian market is modest with some 20,000 births per year, VITA 34 expects increasing storages from this cooperation in the coming quarters. An expansion to neighboring regions and/or countries appears possible.

With the entry into the Slovenian market VITA 34 is following the embarked expansion strategy. Plans are to enter into additional corresponding cooperative sales agreements. In the coming quarters the conclusion of an additional agreement is planned. Here, the target markets must possess a high level of willingness to make private expenditures in healthcare, and they must also have the corresponding regulatory prerequisites. The goal is for the investments to be manageable and, at the latest in the second year, profitable.

The successful path of product expansion will be followed in the future. In the coming months, existing customers will also have the possibility of having the genetic predisposition for certain drug and food incompatibilities and diseases

tested retroactively. VITA 34 is continuously reviewing sensible extensions to the current offering.

The expansion of cooperative agreements with health insurance companies completed in the past quarters will also be continued in the coming quarters. There are now agreements in place with 38 public and private health insurance companies. In the medium term, positive effects on business are expected from the cooperative agreements entered into.

VITA 34 considers itself to be in a good position with the cash and balance sheet ratios it has, in order to implement the development of business as planned.

## 9 DECLARATION OF THE LEGAL REPRESENTATIVES

We hereby affirm that to the best of our knowledge the consolidated financial statements provide a picture of the asset, financial and profit situation of the Group, which reflects the actual circumstances in accordance with the applicable accounting policies, and that the management report presents the course of business, including the financial results, and the situation of the Company in a manner that corresponds with the actual circumstances, and that the most important opportunities and risks of the foreseeable development of the Group have been described.

Leipzig, July 14, 2009  
Management Board of VITA 34 International AG



Dr. Eberhard Lampeter



Peter Boehnert

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

06/30/2009

## 1 CONDENSED CONSOLIDATED INCOME STATEMENT

EUR K	NOTE	04/01- 06/30/2009	04/01- 06/30/2008	01/01- 06/30/2009	01/01- 06/30/2008
<b>Continuing operations</b>					
Revenues		3,623	3,605	7,025	7,187
Cost of sales		-1,312	-1,256	-2,444	-2,453
<b>Gross profit</b>		<b>2,311</b>	<b>2,349</b>	<b>4,581</b>	<b>4,734</b>
Other operating income		81	271	342	497
Selling expenses		-1,762	-2,704	-3,880	-4,992
Administrative expenses		-601	-652	-1,154	-1,301
Other operating expenses		-13	-48	-68	-67
<b>Net operating income</b>		<b>16</b>	<b>-784</b>	<b>-179</b>	<b>-1,129</b>
Finance revenues		143	96	206	236
Finance costs		-63	-267	-115	-312
<b>Earnings before taxes</b>		<b>96</b>	<b>-955</b>	<b>-88</b>	<b>-1,205</b>
Income tax income	4	-28	202	92	292
<b>Profit from continuing operations</b>		<b>68</b>	<b>-753</b>	<b>4</b>	<b>-913</b>
<b>Discontinued operation</b>					
Profit / Loss from discontinued operations		0	0	0	248
<b>Period result</b>		<b>68</b>	<b>-753</b>	<b>4</b>	<b>-665</b>
Earnings per share, basic / diluted (EUR)			-0.28		-0.25
Earnings per share from continuing operations, basic / diluted (EUR)			-0.28		-0.34

## 2 CONDENSED CONSOLIDATED BALANCE SHEET (ASSETS)

EUR K	NOTE	06/30/2009	12/31/2008
<b>Non-current assets</b>			
Goodwill		11,911	11,911
Intangible assets		767	930
Property, plant and equipment		3,092	3,054
Investments		26	26
Other financial assets		35	35
Deferred tax assets		831	736
Non-current trade receivables		1,855	1,996
Restricted Cash		818	1,068
		<b>19,335</b>	<b>19,756</b>
<b>Current assets</b>			
Inventories		550	584
Trade receivables		2,103	1,600
Other receivables and assets		1,003	1,118
Short-term investments		1,000	876
Other financial assets		1,000	0
Cash and cash equivalents	3	4,582	6,374
		<b>10,238</b>	<b>10,552</b>
		<b>29,573</b>	<b>30,308</b>

## 2 CONDENSED CONSOLIDATED BALANCE SHEET (LIABILITIES)

EUR K	NOTE	06/30/2009	12/31/2008
<b>Equity</b>			
Issued capital		2,647	2,647
Capital reserves		23,229	23,192
Revenue reserves		-7,730	-7,734
		<b>18,146</b>	<b>18,105</b>
<b>Non-current liabilities and deferred income</b>			
Interest-bearing loans		1,438	1,500
Silent partners' interests		940	940
Deferred grants		715	741
Deferred income		5,323	5,405
		<b>8,416</b>	<b>8,586</b>
<b>Current liabilities and deferred income</b>			
Trade payables		410	1,087
Silent partners' interests		509	497
Provisions		1	105
Income tax liabilities		208	208
Interest-bearing loans		125	125
Deferred grants		70	81
Other liabilities		925	993
Deferred income		763	521
		<b>3,011</b>	<b>3,617</b>
		<b>29,573</b>	<b>30,308</b>

### 3 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR K	NOTE	01/01- 06/30/2009	01/01- 06/30/2008
<b>Cash flow from operating activities</b>			
Earnings before taxes		-88	-1,205
Adjusted for:			
Amortization and depreciation		328	209
Profit / loss from disposal of non-current assets		5	0
Other non-cash expenses and income		-295	0
Exchange differences		-2	-15
Finance revenues		-206	
Finance expenses		115	
Expenses of stock-based compensation		37	38
Cash flow from ordinary operations:			
+/- Trade receivables and other receivables and assets		-410	-602
+/- Inventories		34	-24
+/- Trade payables and other liabilities		-587	-877
+/- Provisions		-4	-134
+/- Deferred income		160	206
Interest paid		-103	0
Income taxes paid		-3	-4
<b>Cash flow from operating activities</b>		<b>-1,019</b>	<b>-2,249</b>
<b>Cash flow from investing activities</b>			
Purchase of intangible assets		-39	-75
Purchase of property, plant and equipment		-168	-324
Purchase of short-term financial asset		-1,000	0
Interest received		82	0
<b>Cash flow from investing activities</b>		<b>-1,125</b>	<b>-399</b>
<b>Cash flow from financing activities</b>			
Changes in restricted cash		250	0
Changes in silent partnerships		0	9
Proceeds from investment subsidies		163	0
Loan redemption		-62	-150
<b>Cash flow from financing activities</b>		<b>351</b>	<b>-141</b>
<b>Net change in cash and cash equivalents from continued operations</b>			
Net change in cash and cash equivalents		-1,793	-2,789
Cash and cash equivalents at the beginning of the reporting period		6,374	9,002
Net foreign exchange difference		1	-8
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3</b>	<b>4,582</b>	<b>6,205</b>
Short-term investments		1,000	1,827
<b>Liquid funds</b>		<b>5,582</b>	<b>8,032</b>

#### 4 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR K	ISSUED CAPITAL	CAPITAL RESERVE	REVENUE RE- SERVES	OTHER RE- SERVES	TOTAL EQUITY
<b>January 1, 2008</b>	<b>2,647</b>	<b>23,116</b>	<b>-6,022</b>	<b>-12</b>	<b>19,729</b>
Difference arising from foreign currency translation				-23	-23
Stock-based compensation		38			38
Period result			-665		-665
<b>Total period result</b>	<b>0</b>	<b>38</b>	<b>-665</b>	<b>-23</b>	<b>-650</b>
<b>June 30, 2008</b>	<b>2,647</b>	<b>23,154</b>	<b>-6,687</b>	<b>-35</b>	<b>19,079</b>
<b>January 1, 2009</b>	<b>2,647</b>	<b>23,192</b>	<b>-7,734</b>	<b>0</b>	<b>18,105</b>
Stock-based compensation		37			37
Period result			4		4
<b>Total period result</b>	<b>0</b>	<b>37</b>	<b>4</b>	<b>0</b>	<b>41</b>
<b>June 30, 2009</b>	<b>2,647</b>	<b>23,299</b>	<b>-7,730</b>	<b>0</b>	<b>18,146</b>

# NOTES ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 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, which has a management and financing function for its subsidiary companies. 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, consolidated interim financial statements for the period from January 1 until June 30, 2009 were approved for publication by the Management Board on July 14, 2009.

## 2 ACCOUNTING AND VALUATION PRINCIPLES

### 2.1 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, 2006 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, 2008.

### 2.2 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, 2008.

The group used the following new and revised IFRS standards and interpretations for the first time as of January 1, 2009:

- Amendments to IFRS 1 and IAS 27: Acquisition Costs for a Participation in a Subsidiary Company, Jointly Managed Companies or Associated Companies
- Amendments to IFRS 2: Share-Based Compensation
- Amendments to IAS 1: Presentation of the Financial Statements
- Amendments to IAS 23: Debt Capital Costs
- Amendments to IAS 32 and IAS 1: Puttable instruments and obligations arising on liquidation
- IFRIC 12: Service Concession Agreements
- IFRIC 13: Customer Loyalty Programs
- IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Improvements to IFRS 2008

The standards and interpretations required to be used for the first time starting January 1, 2009 (IFRIC 12 already as of January 1, 2008) resulted in no significant effects on the interim financial statements of VITA 12 International AG.

### 3 CASH AND CASH EQUIVALENTS

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

<b>CASH AND CASH EQUIVALENTS</b>	<b>06/30/2009</b>	<b>06/30/2008</b>
	<b>EUR K</b>	<b>EUR K</b>
Cash at banks and in hand	4,582	6,205
	<b>4,582</b>	<b>6,205</b>

### 4 INCOME TAXES

The significant components of the income tax expenditures listed in the condensed consolidated income statement consist of the following:

<b>MAJOR COMPONENTS OF THE INCOME TAX INCOME / EXPENSE</b>	<b>01/01-06/30/2009</b>	<b>01/01-06/30/2008</b>
<b>CONSOLIDATED INCOME STATEMENT</b>	<b>EUR K</b>	<b>EUR K</b>
<b>Current income tax</b>		
Current income tax expense	3	4
<b>Deferred income tax</b>		
Origination and reversal of temporary differences	-31	29
On unused tax losses	-64	-325
<b>Income tax income</b>	<b>-92</b>	<b>-292</b>

### 5 SEGMENT REPORTING

The company currently has only one business segment subject to reporting, since the group is exclusively involved in the storage of umbilical cord blood.

#### 5.1 Information Concerning Geographic Regions

The company earns its income exclusively in Europe. Here, in the period from January 1 to June 30, 2009 income of EUR 5,915k (January 1 to June 30, 2008: EUR 6,083k) was earned in the geographic region of Germany, Austria and Switzerland, and in the Spain region income of EUR 1,110k (January 1 to June 30, 2008: EUR 1,104k) was earned.

The income was assigned to the geographic regions, taking the revenues achieved in the respective countries into consideration.

#### 5.2 Information Concerning Important Customers

Income with a single external customer is listed under group income, which exceeds 10% of the income of the group. Income in the period from January 1 to June 30, 2009 was EUR 1,110k (January 1 to June 30, 2008: EUR 1,104k).

## 6 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, 2009 and 2008:

EXPENSES TO RELATED PARTIES	TOTAL AMOUNT OF TRANSACTIONS	
PERIOD FROM 01/01 – 06/30	2009	2008
	EUR K	EUR K
A member of the Supervisory Board is Chairman of the U:S: law offices Dillworth Paxon. Law services were purchased from Dillworth Paxon for the following amounts:	0	4
<b>Compensation of key management personnel of the Group:</b>		
Short-term benefits::		
- Remuneration of the Supervisory Board	30	30
- Management Board salaries	309	299
Other long-term benefits:		
- The Management Board of VITA 34 AG	0	48
Share-based compensation		
- The Managements Board of VITA 34 AG	37	38

## FINANCIAL CALENDAR 2009

### 2009

April 15, 2009	Publication of Q1 Report
July 14, 2009	Publication of Q2 Report
July 15, 2009	Annual General Meeting
October 14, 2009	Publication of Q3 Report
November 2009	Analysts' conference

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