

INTERIM REPORT

January to September 2007



- Third record quarter in a row for storages and revenues
- EBIT still positive despite higher marketing and sales expenditures
- Implementation of sales strategy fully according to plan
- Spanish partner takes a strategic interest
- Prognosis for the entire year increased



| EUR'000* | 07/01/ – 09/30/2007 | 07/01/– 09/30/2006 | 01/01/– 09/30/2007 | 01/01/– 09/30/2006 |
|---|------------------------|-----------------------|-----------------------|-----------------------|
| Umbilical cord blood storages (Units) | 2,972 | 2,234 | 7,968 | 5,269 |
| Revenues | 4,080 | 2,796 | 11,513 | 7,720 |
| Gross profit | 3,017 | 1,894 | 8,133 | 5,231 |
| EBIT | 71 | 241 | 690 | -75 |
| Profit/loss from discontinued operations | -91 | -119 | 1,058 | -2,700 |
| Profit/loss for the year | -232 | -19 | 86 | -2,900 |
| Cashflow from operating activities | 522 | -12 | -430 | -414 |
| Capital expenditures | 187 | 213 | 605 | 494 |
| | | | 09/30/2007 | 09/30/2006 |
| Equity | | | 21,115 | 12,824 |
| Total assets | | | 33,370 | 25,658 |
| Liquid funds | | | 12,352 | 3,552 |
| Employees (Number of full-time employees) | | | 97.0 | 67.0 |



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

Dear Shareholders,

We are proud to report to you that Q3 2007 was again a record quarter. This VITA 34 International AG success pertains both to revenues as well as to the number of stored umbilical cord blood preparations. It is evident that our strategy can be successfully implemented as planned and that VITA 34 is consistently progressing well with many small steps in the right direction. The trend in medical science is very clear that umbilical cord blood will replace the previously preferred bone marrow as a source of stem cells for transplantation, at least with regard to allogenic uses. Thus, countless patients will be helped using umbilical cord blood.

The steps taken by VITA 34 include our exceptionally successful cooperation with our Spanish sales and marketing partner, Secuvita, as well as the consistent implementation of our growth-oriented strategy in the German-speaking countries. This also entails continuous expansion of partnerships, for example, public health insurance companies. We were able to post our first major success in this area in Q2 with the cooperation with the BKK FAHR company health insurance fund. The cooperation with BKK Osthessen signed in Q3 shows that this is part of an ongoing development. Such cooperative

arrangements which, of course, also include our partnerships with private companies such as Debeka, are on the one hand a confirmation of our approach: With the storage of transplants from umbilical cord blood we hold those stem cells ready for our customers. They will later be the "raw material" for the treatment of severe diseases and used in regenerative medicine. On the other hand, the rebates for the storage of umbilical cord blood offered to the customers of our cooperation partners is, of course, an effective instrument in attracting customers. We are thus expanding our position as the undisputed market leader amongst private umbilical cord blood banks in the German-speaking countries.

The superior market position with a share of more than 66 percent of all storages of umbilical cord blood is based on more than 10 years of experience, well-founded medical expertise, outstanding quality standards, as well as on sophisticated and very efficient logistics. Not least there are more than 44,000 storages of satisfied customers, among them celebrities such as actress Mariella Ahrens and the multiple world ski champion and world cup winner Martina Ertl-Renz, who constitute a convincing argument for VITA 34.

The number of storages, which precede revenues by an average of approximately 6 weeks, grew by 33 percent to 2,972 transplants in Q3. Based on the 9-month period, the increase was 51 percent. In August 2007 more than 1,000 umbilical cord blood preparations were processed, tested and stored for the first time in the company's history. Our Spanish partner Secuvita generated more than 1,200 storages in the first 9 months of the current year. Our plans had foreseen only 300 for the entire year. The fact that Secuvita and one of its major shareholders purchased an interest in VITA 34 International totaling more than 6 percent shows that we intend to continue the successful course together as partners in the future.

Revenues in Q3 increase by 46 percent to 4.1 million Euro as compared to the prior year's period. The increase in the 9-month period amounted to 49 percent or 11.5 million Euro.

Based on these figures, the attained objectives and the good visibility of the further course of business, we would again like to increase our prognoses for the entire year. We now expect an increase in storages of 40 percent in 2007. We had put forth a forecast of a 30 percent increase as of the half-year mark. We will now also surpass our previous revenue prognosis, an increase of 20 to nearly 25 percent in the year 2007, with a very high probability.

VITA 34 will continue with the marketing and sales strategy initiated; to do so we will additionally increase our expenditures in this area according to plan, such that a

significant loss will be posted in Q4 and for the entire year. However, we expect this loss to be less than we had previously anticipated. The medium-term goals communicated up to now, a doubling of overall output by some point in the year 2009, and a return to positive figures at that time, remain absolutely unchanged, of course.

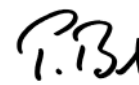
Accordingly, we will continue with the expansion of our field sales force in Q4 2007. In addition, we are optimizing direct consumer communication and expect to achieve a significantly improved level of efficiency by the end of the year.

In summary, we would like to state that the very good perspectives for VITA 34 and the prospects for success of the marketing and sales strategy further energized by the funds from the IPO, have become much clearer after the first 9 months of 2007. VITA 34 has established itself as the leading private umbilical cord blood bank in the German-speaking countries. The capital market has increasingly noticed the excellent positioning of our company and the associated growth. We consider the fact that our stock has outperformed its reference index in the last few months as an incentive for further efforts to continue the trend.

Leipzig, October 15, 2007



Dr. Eberhard Lampeter



Peter Boehnert

2/GROUP INTERIM MANAGEMENT REPORT

For the Period from January 1 to September 30, 2007

1. MARKET AND STRATEGY








The Market for Stem Cell Transplants from Umbilical Cord Blood

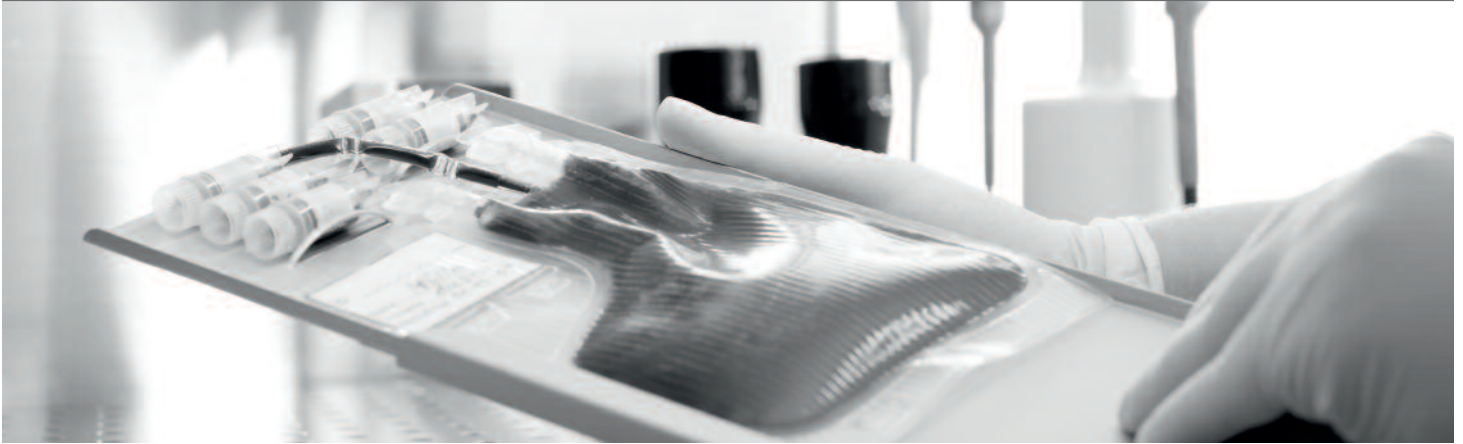
Stem cells are considered a “raw material for the medicine of the future.” They are cells that have not differentiated yet, which will develop into the most varied cell and tissue types, and can be used for therapeutic purposes in the case of severe illness and in regenerative medicine. So-called “adult stem cells” have an advantage over stem cells obtained from embryos in that there are absolutely no ethical reservations with regard to them. This is why research and science in Germany are concentrating on adult stem cells and public subsidies in this area are

being expanded. The use of embryonic stem cells is only possible under very restrictive conditions. The latest research shows that, as compared with embryonic stem cells, there are even greater potential uses for umbilical cord stem cells than heretofore assumed. Moreover, the success of therapies with these cells shows their potential in daily practice. In the reporting period, for example, a milestone in the treatment of heart attack patients with adult stem cells was achieved, and new successes became known in diabetes treatment.

Adult stem cells collected from umbilical cord blood are characterized by the fact that they are removed at the

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 |  | 2,972 |
| Q4 | 2006 |  | 2,049 |
| | 2007 | | |



Prepared umbilical cord blood prior to freezing

earliest possible point in time and, therefore, have particularly great potential. As the leading private umbilical cord blood bank in the German-speaking countries, VITA 34 has an outstanding position in the collection, preparation and storage of umbilical cord blood transplants: The company's market share is greater than 66 percent. To date more than 44,000 transplants have been stored in Leipzig's BioCity. The undisputed market leadership is solidified by cooperation agreements with some 850 of the some 950 birthing clinics in Germany, among other things, as well as by unique partnerships with public and private health insurance companies.

In international comparison, Germany is still a "developing country" with regard to storage figures of umbilical cord blood. The reason, as shown by international studies, is the hardly exploited information potential. 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 of births.

The goal of VITA 34's marketing and sales strategy is to continue to develop the German-speaking countries as a first mover and market leader.

Marketing and Sales

VITA 34 expanded direct and indirect contact with expecting parents in Q3. Thus, extensive market research activities were initiated, in order to prepare improved customer

communication in the upcoming months. Online advertising was further optimized in Q3 and will be increased again in Q4. Starting in Q4 2007, VITA 34 will also reach additional target persons in the German-speaking countries via additional advertising measures and media.

VITA 34 was successful in attracting an additional public health insurance company, BKK Osthessen, as a cooperation partner only a few weeks after signing BKK FAHR. Additional discussions on further partnerships could be concluded in Q4.

Moreover, in Q3 VITA 34 further increased the number of local information and continuing education events for midwives and gynecologists. The goal of the activities is to inform these multipliers about the potential of umbilical cord blood, and thereby enable them to competently advise expecting parents. Along with this, VITA 34 was also present at numerous fairs in Q3.

All of these activities went and are going hand in hand with additional expansion of personnel in the Marketing and Sales department, especially the internal field sales force. Additional hires are planned for Q4 in the wake of seven new hires in Q3. Thus, VITA 34 is fully on track with its plan to reach the desired field sales force size of 40 employees in the coming year.

The marketing and sales strategy shows results that exceed the company's expectations. The budget envisioned for the entire year will be fully employed, nonetheless, in order to achieve extensive and long-lasting effects.



Commercial Director of VITA 34 in a meeting

2. REVENUE AND PROFIT SITUATION

VITA 2007 increased the **number of stored stem cell preparations** to 7,968 transplants in the first nine months of 2007. This contains some 1,200 transplants generated by contracts from VITA 34's Spanish cooperation partner, Secuvita. Thus, the number of storage units increased by 51 percent in comparison with the prior year's period. In Q3 2007 a record number of transplants stored was achieved again with 2,972 storages, which is 33 percent more than in the prior year's quarter.

The **revenues**, which trail storage units by approximately six weeks, also increased significantly. This time is required after the receipt of the umbilical cord blood at VITA 34 in order to perform extensive tests and ensure the usability of the stored transplants. Customers are not invoiced and revenues are not booked until this has been completed. In the first nine months of 2007, the storage units rose by 49 percent to Euro 11.5 million. The increase in Q3 was 46 percent to Euro 4.1 million. Thus a new revenue record at VITA 34 was set in Q3 2007.

In the reported quarter the **gross profit** increased by 59 percent from Euro 1.9 million in the prior year to Euro 3.0 million. The gross margin increased to 74 percent as compared to 68 percent in the same period the prior year. In the first nine months of 2007, gross profit rose to Euro 8.1 million. In the first nine months of 2006 it was Euro

5.2 million. This means an increase of 55 percent. The gross profit margin thus improved from 68 percent in the first nine months of 2006 to 71 percent in the first nine months of 2007.

Sales expenditures in the reported period were increased additionally as planned to Euro 2.1 million. In the corresponding quarter the prior year sales expenditures were Euro 1.2 million. In the first nine months of 2007, sales expenditures were Euro 5.4 million, as compared to Euro 4.1 million in the first nine months of 2006. The **administrative costs** in the quarter reported increased to Euro 0.8 million as compared to Euro 0.5 million during the same quarter the prior year. In the first nine months of 2007, the administrative costs were Euro 2.1 million as compared to Euro 1.3 million 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.

Despite the extensive investments in corporate growth, the **EBIT** of VITA 34 International AG in Q3 2007 was plus Euro 0.1 million. In the same quarter in 2006 an EBIT of plus Euro 0.2 million had been posted. In the first nine months of 2007, EBIT rose significantly to Euro 0.7 million. At negative Euro 0.1 million the EBIT in the first nine months of 2006 had still been negative.

The **financial result** in Q3 2007 was plus Euro 104 '000 as compared to negative Euro 42 '000 in the corresponding quarter the prior year. In the first nine months of 2007, the financial results were negative Euro 1.1 million Euro as compared to negative Euro 0.1 million in the first three quarters of 2006. The cumulative figures reflect the adjustments made in Q2 2007, arising from the sale of the existing CorCell business to Cord Blood America. These 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 from the sale of the discontinued operations realized in Q1 2007 already was Euro 1.3 million.

The **pre-tax profit from continuing operations** was Euro 2007 in Q3 2007 and was, therefore, at the level of the corresponding quarter of the previous year. In the first nine months of 2007, the pre-tax loss before taxes from continuing operations was Euro 0.4 million due to the aforementioned adjustments, as compared to Euro 0.2 million in the first nine months of 2006. **After taxes** a loss of Euro 0.1 million was posted for Q3 2007 as com-

pared to a loss of Euro 0.1 million in the corresponding prior year's period. In the first nine months of 2007, the result from continuing operations was negative Euro 1.0 million, as compared to negative Euro 0.2 million in the first nine months of 2006.

In the **discontinued operations** a loss of Euro 0.1 million was posted in the quarter reported. The Management Board assumes that no additional major burdens will be created by the divested US activities. Including the profit in the amount of Euro 1.3 million in 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 nine months of 2007 totaled Euro 1.1 million.

Altogether there was an **annual result** for the third quarter of minus Euro 0.2 million Euro, following minus Euro 19 '000 in the same quarter the prior year. Thus VITA 34 earned an annual surplus of plus Euro 0.1 million Euro in the first nine months of 2007. This represents a notable improvement as compared to the first nine months of 2006, in which there was an annual loss of Euro 2.9 million.

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 | 4,080 |
| Q4 | 2006 | 3,836 |
| | 2007 | |

3. FINANCIAL AND ASSET SITUATION

The balance sheet of VITA 34 International AG at the end of Q3 2007 was characterized by a strong equity position and an additional increasing portion of cash. The **equity ratio** rose to 63 percent as of September 30, 2007, following 50 percent as of December 31, 2006.

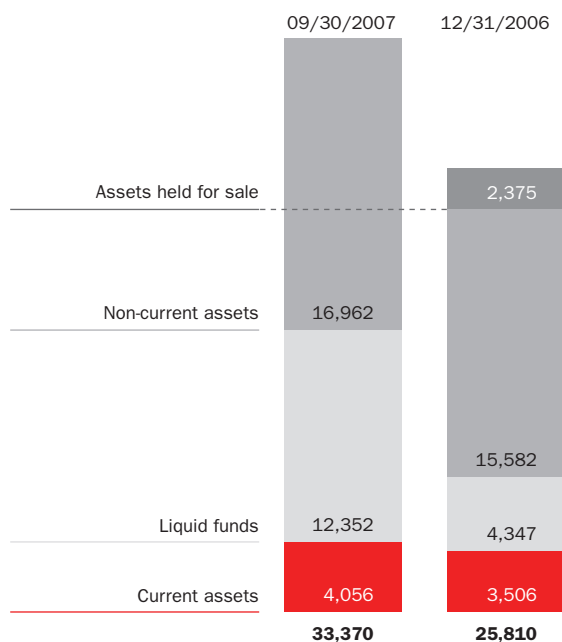
A contributing factor was the increase in share capital to Euro 2,646,500 from Euro 2,046,500 through the issue of 600,000 new shares. Above all, at an issue price of Euro 15.00 it was possible to place an additional Euro 7.5 million in capital reserves, which were Euro 23.1 million at the end of Q3 2007. They were, therefore, clearly above the level of Euro 15.6 at the end of 2006. Thanks to the consolidated surplus in the first nine months of 2007, retained earnings in the first nine months improved to minus Euro 4.75 million as compared to minus Euro 4.84 million at the end of 2006. The **equity** of VITA 34

International AG correspondingly totaled Euro 21.1 million at the end of the third quarter, after being Euro 12.9 million nine months earlier. The costs associated with the IPO were mostly offset against equity (capital reserves) as expenditures for raising capital.

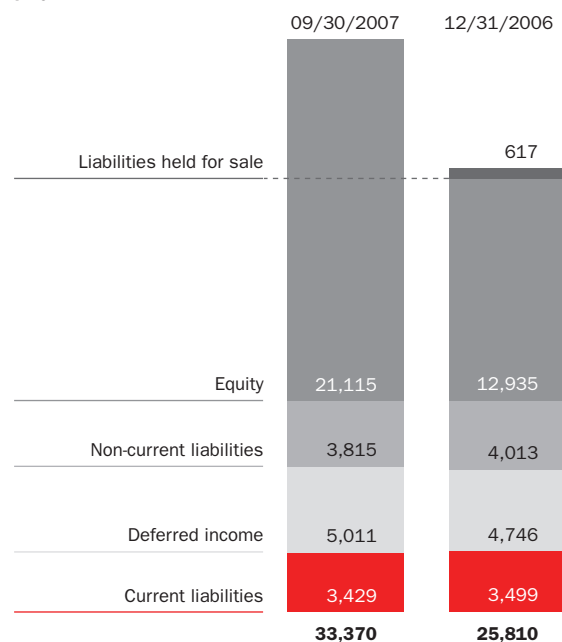
The **debt** on the balance sheet remained mainly unchanged in its structure. The largest item within the non-current liabilities and deferrals, the **deferred income**, consists of the storage fees collected in advance from the customers, which are dissolved linearly over the prepaid contract term. 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 Euro 5.0 million by September 30, 2007 as compared to Euro 4.7 million Euro on the closing date in 2006.

Balance Sheet 2007 Prior Year Comparison (EUR'000)

Assets



Equity and liabilities





VITA 34 employee consulting customers on the phone

The **balance sheet total** increased to Euro 33.4 million as of September 30, 2007, as compared to Euro 25.8 million at the end of 2006.

The assets of the company in the first nine months of 2007 showed a clear increase **in cash** as a consequence of the IPO. The sum was Euro 12.4 million Euro as of September 30, 2007, as opposed to Euro 4.3 million Euro at the end of 2006.

Within the non-current assets, **goodwill** remained unchanged at Euro 11.9 million, 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 Euro 0.4 million Euro in the first nine months of 2007. The main reason for this was the increase in accounts receivables due to the greater sales volume. The **cash flow from financing activities** was clearly positive at Euro 7.9 million, influenced by the IPO.

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

4. INVESTMENTS

At Euro 0.6 million as compared to the prior year's period, investments in the first 9 months of 2007 were slightly higher due to the higher volume of storages. 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 expansions were acquired. There are no plans to significantly change the level of investment in the coming periods.

5. EMPLOYEES

The number of employees grew according to plan in Q3, as well. As of September 30, 2007 there were 97 full-time employees, which is 13 more than there were on June 30th. As compared to the end of 2006, this even means an increase of 23 employees or some 30 percent.

The driver of personnel growth was the expansion of the Marketing and Sales department according to plan. As of the reporting date roughly every second employee was active in this department. 31 percent of the staff were engaged in the production and control of umbilical cord blood transplants, and approx. 20 percent were involved in the Administration and Finance departments.

VITA 34 will continue with headcount growth in the future. Thus, VITA 34 is laying the foundation for planned growth and is taking the increasing number of storages into account.



6. VITA 34 ON THE CAPITAL MARKET

In Q3 the VITA 4 International's stock developed outstandingly, both absolutely and in comparison with the relevant reference index on the stock exchange. Thus, the upwards trend that could be recognized as early as May continued. The share price of Euro 15.05 on September 30, 2007 was 27 percent higher than the half-year price of Euro 11.85. The SDAX and the TecDAX had Q3 performances of minus 11 percent and minus 4 percent, respectively. Thus, VITA 34's stock was able to gain more than 50 percent as compared to its low of Euro 10 at the beginning of May. The next goal is to consistently exceed the 15 Euro mark, the issue price at the IPO on March 27th. This level has already been exceeded temporarily.

The very good performance of the stock was bolstered by the operative development of the company in conjunction

with intensive capital market communication. The company also presented itself in Q3 at investor and analyst conferences, as well as in roadshows in Germany and Great Britain. These activities were augmented by conversations with institutional investors and a presentation before the international sales team of a major German bank.

Additional investor contacts are planned for the beginning of Q4. For example, a roadshow in Spain is planned, a market which should be interesting for VITA 34 thanks to the successful activities with sales and marketing partner Secuvita. Moreover, at the end of Q3, Secuvita also purchased a more than 3 percent interest in VITA 34 International AG. A major shareholder of Secuvita acquired an additional 3 percent of the shares. The free-float according to Deutsche Börse's definition was, therefore, 42.2 percent at the end of Q3.

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 | 42.2 % |
| Market capitalization as of 06/30/2007 In million EUR | 39.8 |
| Designated Sponsor | Close Brothers Seydler AG/Concord Effekten AG |
| Opening/High/Low/Closing price 2nd quarter 2007 (Xetra) in EUR | 11.79/15.30/11.50/15.05 |

Xetra historical stock price since IPO – VITA 34 International AG



7. OPPORTUNITIES AND RISKS

In the wake of an in-person press and analyst conference held by VITA 34 in Frankfurt regarding the half-year figures, the 9-month figures will be presented to investors, media and analysts within the context of a teleconference. VITA 34 will then participate in the German Equity Forum in November 2007 and will present itself to the financial community there.

In Concord Investment AG and Close Brothers Seydler AG, VITA 34 has two designated sponsors that ensure the liquidity of the stock and tight cash/paper margins, thus adding value for investors. In Q3 the volume of shares traded daily on the electronic XETRA exchange was an average of 7,681 shares, which is equivalent to an average daily turnover of 106,3334 Euro.

Not least thanks to VITA 34's unique position in Europe as a publicly traded umbilical cord blood bank, the company is currently being covered by three research firms. Concord Investment, Deutsche Apotheker- und Ärztebank and, since the beginning of Q3, First Berlin are publishing estimates on VITA 34 and its stock. It appears that a major German bank will start coverage of VITA 34 in Q4.

In addition to this, the company has expanded its contacts with the financial and business press. This has resulted in several buy recommendations by investor magazines. VITA 34 will stay the course in financial communications. It is recommended that private and institutional investors visit the www.vita34.com website for qualified first-hand information.

The significance of transplants from umbilical cord blood will, according to a multi-center study, which compared umbilical cord blood and bone marrow as transplants for the treatment of leukemia, increase markedly. Many physicians and scientists now presume that in the short-term umbilical cord blood will replace bone marrow as the preferred source in the case of allogenic transplants.

There are significant opportunities for further VITA 34 business development in the planned expansion of the market potential in Germany. To this end, comprehensive measures have been initiated in the areas of marketing and sales. The Spanish market, as well, offers considerable opportunities thanks to the exceptionally successful partnership with Secuvita. The storages from Spain are clearly developing more positively than planned.

The risks for VITA 34 are that the acceptance of private cord blood banking in Germany will grow more slowly than planned. Negative reporting and medical developments could 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. Part of the purchase price was paid to VITA 34 in the form of Cord Blood America stock, the market value of which is subject to fluctuations.



VITA 34 employee conducting blood type test

8. OUTLOOK

VITA 34 has again increased its prognoses for the entire year of 2007. The number of storage units should increase by 40 percent as compared to the previous year. Up to now an increase of 30 percent had been communicated. The storage units, which trail revenues, will increase by more than 25 percent according to current estimates. Previous planning had only foreseen a rise of 20 to nearly 25 percent.

Profits should also be better than the capital market had previously expected. Nonetheless, VITA 34, as announced during the IPO and in all interim reports to date, will post significant losses in 2007 in the wake of the planned expansion of marketing and sales expenditures.

Headcount in this area, for example, will continue to increase in Q4. Planning envisions the hiring of additional employees in Marketing and Sales, such that the total number of persons will increase to 49 by year's end. The activities geared towards approaching multipliers, groups of parents, physicians, midwives and doulas, will be increased as planned, and the expenditures for direct communication with customers via various advertising media will be expanded further. In addition, the declared objective is to push cooperation discussions with additional health insurance companies in Q4 and, where possible to have contracts ready for signature.

VITA 34 expects the storage units from the cooperation with its Spanish partner Secuvita to be roughly six times greater than the planned 300 storage units.

In all, VITA 34 considers that, apart from exceeding its annual targets, its medium-term plans of doubling total output by 2009 and consistent positive figures again as of 2009 have a solid foundation.

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, October 15, 2007

Dr. Eberhard Lampeter

Peter Boehnert

3/ CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as of September 30, 2007

1. CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

| EUR'000 | NOTE | 07/01/ – 06/30/2007 | 07/01/– 09/30/2006 | 01/01/– 09/30/2007 | 01/01/– 09/30/2006 |
|--|------------|------------------------|-----------------------|-----------------------|-----------------------|
| Continuing operations | | | | | |
| Revenues | | 4,080 | 2,796 | 11,513 | 7,720 |
| Cost of sales | | -1,063 | -902 | -3,380 | -2,489 |
| Gross profit | | 3,017 | 1,894 | 8,133 | 5,231 |
| Other operating income | | 87 | 33 | 222 | 191 |
| Selling expenses | | -2,065 | -1,160 | -5,449 | -4,137 |
| Administrative expenses | | -849 | -521 | -2,059 | -1,338 |
| Other operating expenses | | -119 | -5 | -157 | -22 |
| Net operating income | | 71 | 241 | 690 | -75 |
| Finance revenues | | 146 | 13 | 296 | 39 |
| Finance costs | 5.3/5.4 | -42 | -55 | -1,402 | -157 |
| Earnings before taxes | | 175 | 199 | -416 | -193 |
| Income tax expense | 5.7 | -316 | -99 | -556 | -7 |
| Profit for the year from continuing operations | | -141 | 100 | -972 | -200 |
| Discontinued operation | | | | | |
| Profit/Loss for the year from discontinued operations | 5.10 | -91 | -119 | 1,058 | -2,700 |
| Profit/loss for the year | 5.8 | -232 | -19 | 86 | -2,900 |
| Earnings per share, basic/diluted (EUR) | | -0.09 | -0.01 | 0.03 | -1.42 |
| Earnings per share from continuing operations, basic/diluted (EUR) | | -0.05 | 0.05 | -0.39 | -0.10 |

2. CONDENSED CONSOLIDATED BALANCE SHEET (ASSETS)

| EUR'000 | NOTE | 09/30/2007 | 12/31/2006 |
|---|------|---------------|---------------|
| Non-current assets | | | |
| Goodwill | | 11,911 | 11,911 |
| Intangible assets | | 625 | 533 |
| Property, plant and equipment | | 2,383 | 2,182 |
| Equity investments | 5.3 | 648 | 0 |
| Other financial assets | 5.4 | 35 | 35 |
| Deferred tax assets | | 111 | 317 |
| Non-current trade receivables | | 1,249 | 604 |
| | | 16,962 | 15,582 |
| Current assets | | | |
| Inventories | | 786 | 605 |
| Trade receivables | | 1,274 | 951 |
| Other receivables and assets | | 933 | 802 |
| Deferred capital issue charges | | 0 | 148 |
| Short-term investments | | 4,299 | 2,318 |
| Restricted cash | 5.5 | 1,063 | 1,000 |
| Cash and cash equivalents | 5.5 | 8,053 | 2,029 |
| | | 16,408 | 7,853 |
| Assets of a disposal group classified as held for sale | | 0 | 2,375 |
| | | 33,370 | 25,810 |

CONDENSED CONSOLIDATED BALANCE SHEET (LIABILITIES)

| EUR'000 | NOTE | 09/30/2007 | 12/31/2006 |
|---|------|---------------|---------------|
| Equity | | | |
| Issued capital | 5.9 | 2,647 | 2,047 |
| Capital reserves | 5.9 | 23,097 | 15,629 |
| Revenue reserves | 5.9 | -4,750 | -4,837 |
| Other reserves | 5.9 | 121 | 96 |
| | | 21,115 | 12,935 |
| Non-current liabilities and deferred income | | | |
| Interest-bearing loans | | 1,625 | 1,750 |
| Silent partners' interests | | 1,443 | 1,442 |
| Provisions | | 328 | 375 |
| Deferred grants | | 419 | 446 |
| Deferred income | | 5,011 | 4,746 |
| | | 8,826 | 8,759 |
| Current liabilities and deferred income | | | |
| Trade payables | | 927 | 784 |
| Provisions | | 220 | 761 |
| Income tax liabilities | | 445 | 111 |
| Interest-bearing loans | | 213 | 214 |
| Deferred grants | | 59 | 59 |
| Other liabilities | | 1,206 | 1,270 |
| Deferred income | | 359 | 300 |
| | | 3,429 | 3,499 |
| Liabilities associated with a disposal group classified as held for sale | | 0 | 617 |
| | | 33,370 | 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 | | -416 | -193 |
| Adjusted for: | | | |
| +/- Amortization and depreciation | | 258 | 195 |
| +/- Other non-cash expenses and income | | 65 | 93 |
| +/- Finance expenses and revenues | | 1,155 | 118 |
| +/- Deferred grants | | -27 | -44 |
| +/- Expenses of stock-based compensation | 5.6/5.11 | 13 | 0 |
| Cashflow from ordinary operations | | | |
| +/- Trade receivables and other receivables and assets | | -1,064 | -987 |
| +/- Inventories | | -181 | -214 |
| +/- Trade payables and other liabilities | | 78 | 654 |
| +/- Provisions | | -588 | 0 |
| +/- Deferred income | | 324 | 144 |
| Interest paid | | 0 | -154 |
| Income taxes paid | | -16 | -16 |
| Cashflow from operating activities | | -399 | -404 |
| Cashflow from investing activities | | | |
| Purchase of intangible assets | | -191 | -123 |
| Purchase of property, plant and equipment | | -414 | -371 |
| Proceeds from sale of equipment | | 45 | 30 |
| Purchase of short-term investments | | -1,984 | -2,201 |
| Interest received | | 0 | 39 |
| Cashflow used in investing activities | | -2,544 | -2,626 |
| Cashflow from financing activities | | | |
| Proceeds from issuance of share capital | | 8,055 | 0 |
| Changes in silent partnerships | | 1 | -9 |
| Changes of loans | | -126 | -36 |
| Cashflow from financing activities | | 7,930 | -45 |
| Change in cash and cash equivalents from discontinued operations | | | |
| from operating activities | | -276 | -1,193 |
| from investing activities | | 1,407 | 0 |
| from financing activities | | 0 | -15 |
| Cashflow used in discontinued operations | | 1,131 | -1,208 |
| Net change in cash and cash equivalents | | 6,118 | -4,283 |
| Cash and cash equivalents at the beginning of the reporting period | | 3,029 | 6,647 |
| Net foreign exchange difference | | -31 | -10 |
| Cash and cash equivalents at the end of the reporting period | 5.5 | 9,116 | 2,354 |
| Short-term investments | | 4,299 | 2,198 |
| Restricted cash | 5.5 | -1,063 | -1,000 |
| Liquid funds | | 12,352 | 3,552 |

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 | | | | 83 | 83 |
| Profit/loss for the year | | | -2,900 | | -2,900 |
| Total income and expense for the period | 0 | 0 | -2,900 | 83 | -2,817 |
| September 30, 2006 | 2,047 | 15,629 | -4,871 | 19 | 12,824 |
| January 1, 2007 | 2,047 | 15,629 | -4,836 | 96 | 12,936 |
| Available-for-sale shares | | | | 29 | 29 |
| Foreign currency translation | | | | -4 | -4 |
| Stock-based compensation | | 13 | | | 13 |
| Profit/loss for the year | | | 86 | | 86 |
| Total income and expense for the period | 0 | 13 | 86 | 25 | 124 |
| Issue of share capital | 600 | 8,400 | | | 9,000 |
| Transaction costs | | -945 | | | -945 |
| | 600 | 7,455 | 0 | 0 | 8,055 |
| September 30, 2007 | 2,647 | 23,097 | -4,750 | 121 | 21,115 |

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 group interim financial statements for the period from January 1 until September 30, 2007 were approved for publication by the Management Board on October 15, 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 September 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

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 5.10) 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 5.10), to Cord Blood America INC., were also adjusted due to the impending payment difficulties of the buyer.

Here, one loan without exiting conversion options as well as a loan with conversion options into shares in Cord Blood America INC. were completely adjusted to the applicable time value of the shares to be received in the course of conversion (market price on June 29, 2007). The adjustment was made in the consolidated statement of profit and loss and in the 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 | 09/30/2007 | 09/30/2006 |
|---------------------------|--------------|--------------|
| Cash and cash equivalents | 8,053 | 1,354 |
| Restricted cash | 1,063 | 1,000 |
| | 9,116 | 2,354 |

5.6 Stock-Based Compensation

The group has entered into an agreement with a Management Board member of an affiliated company of VITA 34 International AG, VITA 34 AG, concerning the granting of stock options. The price for exercising these options corresponds with the market price of the shares at the time the options are granted. The options will expire if the commission or the employment relationship of the individual granted the rights ends prior to expiration of the waiting period (August 2, 2009).

The contractual term for the options granted is five years. Cash compensation is not provided for. Within the context of the agreement, the Management Board member of VITA 34 AG was granted the right to acquire 30,145 shares at a price of EUR 14.65 each. The options will expire after August 2, 2012.

The fair value was calculated on the basis of the Black Scholes option price model. With regard to the expected volatility it was assumed that the share price volatility would correspond with that of VITA 34 International AG from the time of the IPO on March 27, 2007 until the time the options were granted. The term has been set at 3 years, taking into consideration the time period set for exercising the options. Here it was assumed, considering the behavior of employees of comparable companies, who had also been granted stock options, that the options would be exercised at the end of the first year of the exercise period. The risk-free interest rate corresponds with that of a AAA loan with a comparable term.

5.7 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– 09/30/2007 | 01/01– 09/30/2006 |
|---|----------------------|----------------------|
| Income tax | | |
| Income tax expense | 350 | 16 |
| Deferred taxes | | |
| Accrual and reversal of temporary differences | 206 | -10 |
| Declared income tax expense | 556 | 6 |

The tax rate for calculating deferred taxes was lowered from 40% to 30% based on the corporate tax reform passed by the German Bundesrat on July 6, 2007. The lowering of the tax rate led to a reduction in the active deferred taxes of 37 EUR '000.

5.8 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 September 30, 2007, or 2006.

01/01/-09/30/2007

| EUR'000 | EUROPE | USA | TOTAL |
|----------------------------------|--------|-------|-----------|
| Sales revenue | | | |
| Revenues | 11,513 | 104 | 11,617 |
| Segment revenue | 11,513 | 104 | 11,617 |
| Other segment information | | | |
| Segment profit/loss | 849 | 1,058 | 1,907 |
| Miscellaneous profit/loss | | | -1,821 |
| Annual profit | | | 86 |

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" in 2007.

01/01/-09/30/2006

| EUR'000 | EUROPE | USA | TOTAL |
|----------------------------------|--------|--------|---------------|
| Sales revenue | | | |
| Revenues | 7,720 | 1,909 | 9,629 |
| Segment revenue | 7,720 | 1,909 | 9,629 |
| Other segment information | | | |
| Segment profit/loss | -216 | -2,700 | -2,730 |
| Miscellaneous profit/loss | | | -170 |
| Annual loss | | | -2,900 |

5.9 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 945 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.

5.10 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 (US\$ 3,998K). The payment of the pur-

chase price in the amount of 1,136 EUR '000 (US\$ 1,500K) in cash and in the amount of 1,541 EUR '000 (US\$ 2,035K) 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 (US\$ 462K) 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 EUR 249K, 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 5.8), and the information on the net cash flows are in the statement of cash flows.

5.11 Information on Relationships to Friends and Family

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

Other long-term obligations due:

A special bonus agreement was entered into with a Management Board member of the subsidiary company VITA 34 AG, Leipzig, in August 2007. In accordance herewith, the Management Board member will receive a revenue-based bonus if sales revenues in fiscal year 2009 are at least EUR 25 million. The revenue bonus will be paid out depending on the sales revenues attained in 2009 using the "intrinsic value" of the outstanding stock options as of December 31, 2009. Taking the sales revenues planned for 2009 and the anticipated intrinsic value of the stock options, the expected bonus payment will be 240 EUR '000. The expected payment obligation will accrue in installments throughout the term of the bonus agreement in accordance with IAS 19.

Stock-based compensation:

For details on the share-based compensation, please refer to our comments under Item 5.6 Stock-Based Compensation.

| EUR'000 | 01/01–09/30/2007 | 01/01–09/30/2006 |
|---|------------------|------------------|
| A Supervisory Board member is Chairman of the US law firm Dilworth Paxon. Legal services in the following amount were provided by Dilworth Paxon: | 107 | 22 |
| Remuneration of persons in key group positions: | | |
| Short-term obligations due: | | |
| - Supervisory Board compensation | 43 | 41 |
| - Management Board salaries | 517 | 539 |
| Other short-term obligations due: | | |
| - Management Board members of VITA 34 AG | 16 | 0 |
| Share-based compensation | | |
| - Management Board members of VITA 34 AG | 13 | 0 |

1. FINANCIAL CALENDAR

| | |
|-------------------|---|
| April 30, 2007 | Publication of the interim report for Q1 2007 |
| July 16, 2007 | Publication of the interim report for Q2 2007 |
| July 16, 2007 | Analyst and press conference, Frankfurt |
| July 31, 2007 | General Shareholder's Meeting in Leipzig |
| October 15, 2007 | Publication of the interim report for Q3 2007 |
| October 15, 2007 | Teleconference with analysts and investors |
| November 12, 2007 | German Equity Forum 2007, Frankfurt |

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

