

# INTERIM REPORT

January to March 2011



 **VITA 34**

# CONSOLIDATED KEY FIGURES

		01/01- 03/31/2011	01/01- 03/31/2010
<b>STEM CELL PREPARATIONS</b>			
Umbilical cord blood storages	Number	2,190	2,477
<b>PROFIT / LOSS</b>			
Revenues	EUR k	3,714	3,491
Gross profit	EUR k	2,192	2,237
EBITDA	EUR k	-185	285
EBIT	EUR k	-410	160
Period result	EUR k	-298	265
		03/31/2011	03/31/2010
<b>BALANCE SHEET / CASH FLOW</b>			
Total assets	EUR k	33,477	29,876
Equity	EUR k	18,520	19,010
Equity ratio	%	55.3	63.6
Liquid funds	EUR k	2,068	7,173
Capital expenditures*	EUR k	247	216
Depreciation*	EUR k	225	125
Cash flow from operating activities	EUR k	-2,440	-594
<b>EMPLOYEES</b>			
Employees (as of March 31)	Number	138	96
Personnel expenditures	EUR k	1,572	1,134

\* Information for tangible and intangible assets

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**Groundbreaking for New Headquarters**

Our employees are expected to begin working in highly modern space at the beginning of 2013 in the new BioCube building, located directly next to BIO CITY LEIPZIG. We will use a major portion of the altogether 6,400 square meters of laboratory and office space. To this end Economics Mayor Uwe Albrecht, Leipzig's Lord Mayor Burkard Jung, Matthias Jähnig, Managing Director

of Leipzig's Gewerbehof GmbH & Co. KG (LGH) and developer of the BioCube, the Chairman of VITA 34 AG, Dr. med. Eberhard F. Lampeter, the Managing Director of c-Lecta GmbH, Dr. Marc Struhalla and architect Fredo Wiescholek broke ground on the project (right in photo). Thus, they sent an important signal for the further development of the location, the significance of which reaches far beyond the limits of the City of Leipzig.

# LETTER TO THE SHAREHOLDERS

Dear Shareholders,

The VITA 34 revenues were increased to EUR 3.7 million in Q1. With regard to storages and EBIT, the start of 2011 was unsatisfactory, since they were lower than the results of the prior year. Altogether, we prepared and cryo-stored 2,190 umbilical cord preparations in Q1.

Our earnings before interest and taxes, EBIT, was EUR -0.4 million in Q1. The earnings before interest, taxes, depreciation and amortization was EUR -0.2 million. We are confident that we can increase EBIT and maintain our prognosis for the year as a whole.

The storage figures from the German-speaking countries in Q1 were, as every year, at a low level. This has to do with fluctuations in births during the year. Moreover, we have not stored any new umbilical cord blood preparations for allogenic donations in Q1 2011, since the German Cord Blood Bank [Deutsche Nabelschnurblutbank] cannot provide any financial resources for this at the moment. Due to the difficult situation on the Spanish market as a whole, our subsidiary Secuvita, S. L. had fewer storages than in the same period the prior year.

In the current year we will undertake all efforts to increase the figures. We have been able to optimize our marketing and sales measures for 2011 and enrich them with new measures as well as measures which are still in progress. Among other things, this includes our new online offering. This encompasses two packages, which offer expecting parents attractive pricing models for umbilical cord blood storage. Besides this, we offer favorable financing models via TEBA Kreditbank such as zero-percent financing. In this way, VITA 34 can open up new market segments and additional sales potential. The effects can, however, only be evaluated over a longer period of time covering several quarters.

The medical justification for the use of umbilical cord blood in the therapy of severe diseases and in regenerative medicine is documented by constantly increasing use figures worldwide. The main fields of application for umbilical cord blood in general are in brain damage, Type 1 diabetes and leukemia. Our mobile transplantation team allows treatments with stem cells from umbilical cord blood to be given in any hospital in Germany for the first time, regardless of its equipment.

In Q1 an Argentinean child with a severe immune system disorder was treated with umbilical cord blood that had been stored as a VITAplusSpende donation preparation. With our VITAplusSpende [VITA plus donation] product parents undertake private storage or their child and simultaneously have the possibility of releasing the preparation as a donation to a third-party patient, if a request for issuance is made. VITA 34 is the only private umbilical cord blood bank in Germany that has its own permit for allogenic umbilical cord blood preparations and, thus, can issue umbilical cord blood preparations as a donation.

At the beginning of April construction began on the BioCube, the expansion of BIO CITY LEIPZIG, in which VITA 34 will more efficiently reintegrate the previous partial areas of the company more efficiently, prospectively at the beginning of 2013. Moreover, we will receive space capacities for the secure storage of up to 250,000 umbilical cord blood transplants.

Leipzig, April 18, 2011



Dr. med. Eberhard F. Lampeter  
CEO



Jörg Ulbrich  
CFO

# GROUP INTERIM REPORT

01/01 to 03/31/2011

## 1 SUMMARY

VITA 34 is by far the largest umbilical cord blood bank in the German-speaking countries, with more some 80,000 stored umbilical cord blood preparations. VITA 34 services are offered in various configurations in additional European countries. We now store preparations in Leipzig for customers from Spain, Italy, Austria, Switzerland and Slovenia. The VITA 34 "Made in Germany" quality has proven itself in our foreign cooperative efforts. VITA 34 has a great deal of experience in the entire process chain of the collection, analysis and storage of umbilical cord blood for autologous and allogenic use, as the first private umbilical cord blood bank in Europe.

To date 16 umbilical cord preparations stored at VITA 34 have been used. The successful treatments and primarily the permanence of a stem cell therapy with umbilical cord blood show the medical sense of the preventative storage of umbilical cord blood for the therapy of severe diseases and for regenerative medicine. This trend is characterized in particular by an additional development, the strict demands on the safety and quality of the stored preparations, which are increasingly becoming the focus of transplanting physicians.

Since its founding VITA 34 has been an advocate for the establishment and observance of the highest quality standards (GMP standard) and supports transplanting physicians up to the use of the preparation with specific training of the clinic personnel on site, as well as with the mobile stem cell team for transplantations.

VITA 34 has set the goal of supporting the treatment of life-threatening diseases through the preventative storage of umbilical cord blood. Therefore, it is important to make this service generally more well known and accessible, as well as to establish the treatment with stem cells from umbilical cord blood as a medical standard.

This is why VITA 34 is active in basic research as well as applied research. Through existing and planned cooperative research efforts VITA 34 will continued to develop into an innovative company in the field of regenerative medicine even more than before.

Expecting parents can select various service offerings. Apart from the existing products Vita 34 Klassik and Vita 34 max there is now also an attractive online offering.

## 2 REVENUE AND PROFIT SITUATION

In Q1 2011 2,190 stem cell preparations were stored at VITA 34. Thus, they were slightly below the level of the previous year, when 2,447 umbilical cord blood storages were achieved. No new umbilical cord blood preparations for allogenic donations were stored in Q1 2011, since the German Cord Blood Bank [Deutsche Nabelschnurblutbank] cannot provide any financial resources for this at the moment. Our subsidiary Secuvita, S. L. had fewer storages than in the same period the prior year due to the difficult situation on the Spanish market as a whole. However, business with Sorgente S.r.L., our Italian cooperation partner, showed an ongoing increasing trend.



VITA 34 books revenues some one to two months after the storage of a transplant. Storages, therefore, precede the development of revenues. VITA 34 was able to increase revenues to EUR 3.7 million in Q1 2011 thanks to the full consolidation with its Spanish subsidiary Secuvita, S. L. and, thus, exceed the figure of the prior year's quarter in which EUR 3.5 million in revenue was realized. The gross profit in Q1 2011 of EUR 2.2 million was at the level of Q1 2010.

The marketing and sales expenditures increased in Q1 2011 to EUR 1.9 million following EUR 1.7 million in Q1 of the prior year. As compared with the prior year's quarter, the administrative costs in Q1 2011 rose by EUR 0.2 million to EUR 0.8 million. For the most part, the cost increases were the result of the full consolidation with Secuvita, S. L., as well as from necessary depreciations of plant and equipment.

The other operating expenses rose from EUR -0.1 million to EUR -0.2 million, among other things due to increased research activity in Q1 as compared with the comparable period the prior year. The other operating income in Q1 2011 of EUR 0.2 million was at the level of Q1 2010.

The earnings before interest and taxes, EBIT, was EUR -0.4 million in Q1 of 2011, following EUR 0.2 million in Q1 2010. As compared with the prior year's period the financial result decreased from EUR 55,000 to EUR -11,000 in Q1 2011. The income tax income of EUR 0.1 million in Q1 2011 remained nearly unchanged as compared to the prior year's value.

The period result for Q1 2011 of EUR -0.3 million was significantly lower than the value of the prior year's period, which was EUR 0.3 million.

### 3 FINANCIAL AND ASSET SITUATION

#### Financial Situation

The cash flow from operations in Q1 2011 was EUR -2.4 million. The reduction of debt in the amount of EUR 2.5 million and the low period result before income taxes contributed significantly to this.

The cash flow from investing activities was EUR 1.3 million after three months of 2011. This resulted primarily from the sale of current financial investments in the amount of EUR 1.5 million. The cash flow from financing activities of EUR -0.3 million was marginally negative, since both a loan was paid down and a new one was taken out.

Cash and cash equivalents, therefore, were reduced to EUR 2.1 million in Q1 2011 following EUR 5.0 million at year's end 2010.

#### Assets

Unchanged, VITA 34 has a solid balance sheet structure. The equity ratio as compared with year's end 2010 improved slightly and was at a high level at the end of Q1 2011 with 55.3 percent. The balance sheet total as of March 31, 2011 was EUR 33.5 million, decreasing as compared with the total of EUR 36.7 million at the end of 2010.

The goodwill of VITA 34 increased as compared with the prior year's quarter from EUR 11.9 million to EUR 13.4 million, and represented the largest item on the assets side of the balance sheet. It is comprised of the goodwill of the subsidiaries VITA 34 AG and Secuvita, S. L. The value remained unchanged as compared with year's end 2010.

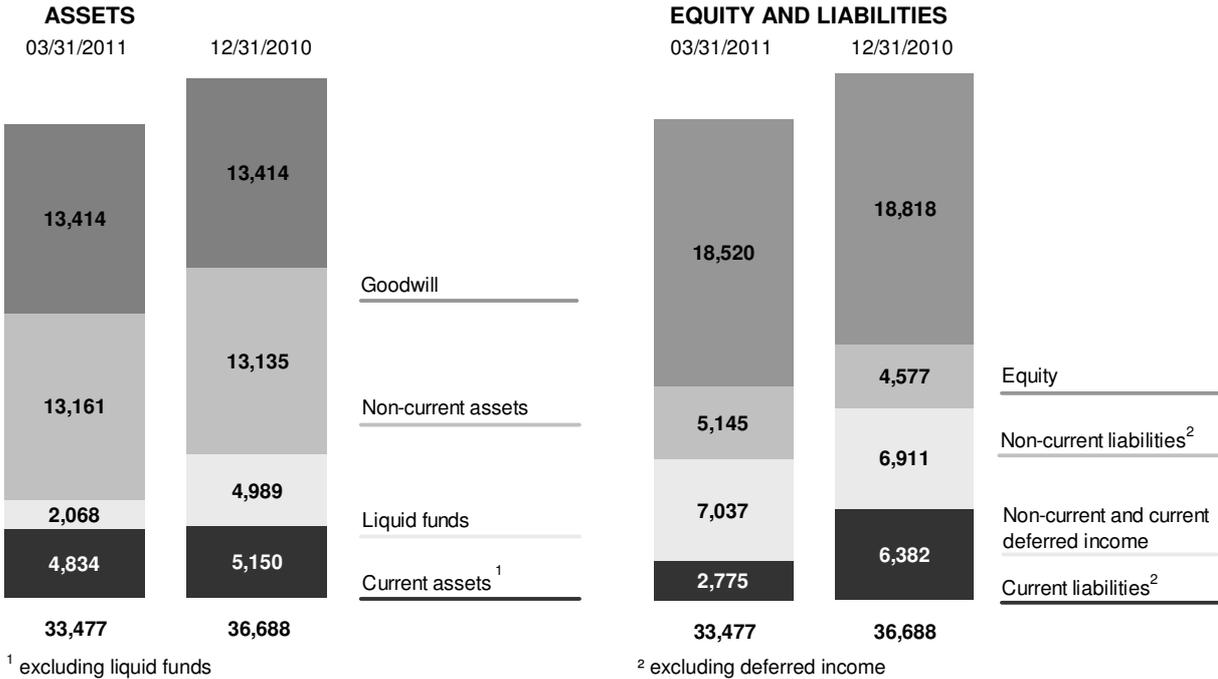
# VITA-Share weathered historical price crash well; price compared to beginning of the year demonstrated a plus of some 2%

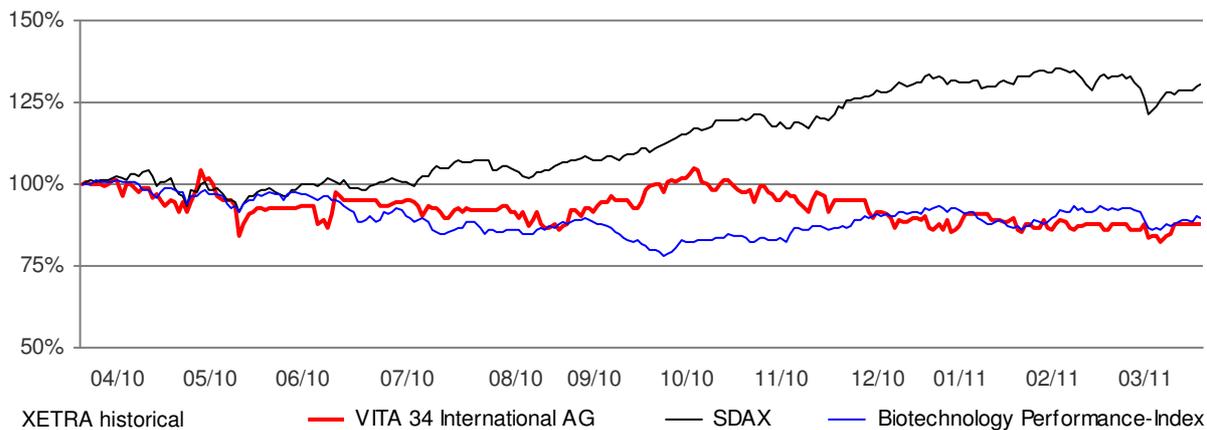
The current assets without cash and cash equivalents totaled EUR 4.8 million following EUR 5.2 million as of December 31, 2010, due to a slight decrease in trade receivables. The cash and cash equivalents as of March 31, 2011 were EUR 2.1 million, in the wake of EUR 5.0 million at year's end 2010. As of the end of the first quarter 2011 it comprised cash and bank deposits in the amount of EUR 2.2 million, minus an overdraft facility of EUR 0.1 million. The short-term deposits received at the end of 2010 in the amount of EUR 1.5 million were used to retire a loan.

The largest item on the liabilities side at the end of Q1 was equity of EUR 18.5 million, following EUR 18.8 million as of December 31, 2010. The reduction as compared with the 2010 year's end value was primarily caused by the negative period result. The registered capital remained unchanged at EUR 2.6 million.

At the end of Q1 2011 the non-current liabilities without deferred income were listed at EUR 5.1 million. As compared with year's end 2010 this was an increase of EUR 0.6 million. Deferred income increased only slightly from EUR 6.9 million at year's end 2010 to EUR 7.0 million as of March 31, 2011. This item contains storage fees pre-paid by customers, which are dissolved and booked as income over the course of the storage term.

Current liabilities without deferred income decreased significantly from EUR 6.4 million to EUR 2.8 million. Here, the other liabilities as of March 31, 2011 decreased to EUR 0.1 million as compared with EUR 3.1 million at year's end 2010. Interest bearing loans decreased from EUR 2.1 million to EUR 1.0 million as of March 31, 2011.





#### 4 INVESTMENTS

VITA 34 made investments in plant and material and intangible assets in the amount of EUR 0.2 million in Q1 2011. This amount corresponds to the one of the prior year's period. The investments were mainly in pre-payments for process soft-ware in the IT department and in expanding the cryo and storage capacities at the company's headquarters in Leipzig. It is expected that there will be no significant change in investment activity in the coming quarter.

#### 5 EMPLOYEES

On March 31, 2011 VITA 34 employed 138 employees and five trainees in either full or part-time positions. Three months before that there had been 147 employees.

The by far largest share at the end of Q1 was unchanged, the Marketing and Sales department with 61 employees. In production and quality assurance were 49 and in the commercial department 28 employees.

#### 6 VITA 34 ON THE CAPITAL MARKET

In the initial weeks of 2011 the VITA share price reached its high of EUR 4.75 in trading on Xetra on January 14, 2011. This is equivalent to a 1.9 percent increase since the beginning of the year. The historic market crash on the Tokyo exchange due to the natural disaster in Japan also had a dramatic effect on the development of the DAX and the associated equities in retrospect.

The leading index reached a low of some 6,500 points in the middle of March. The value of the VITA shares reached its low of EUR 4.30 in the same time period, on March 18. However, equities recovered quickly and the VITA share was quoted at EUR 4.60 on March 31, 2011. Thus, the stock price recovered from the price crash better than the SDAX, which was still down 2 percent at the end of the month.

The VITA share is listed apart from the CDAX in the Biotechnology Performance Index, which tracks 14 stocks, as well as in the Pharma & Healthcare Performance Index, which consists of 36 stocks traded on the German exchanges. Both the CDAX as well as the Pharma & Healthcare Performance Index showed a positive development in the reporting period as compared with the beginning of the year. The Biotechnology Performance Index on the other hand closed with a minus of some 1 percent.

In the first three months of 2011 per day an average of 2,052 VITA shares were traded on all German exchanges. Of these, again a majority of 1,083 shares were on Xetra, which represented the most liquid exchange. As Designated Sponsor for VITA 34, ICF Kursmakler AG ensures tight margins between bid and offer prices, thus increasing the attractiveness of the stock for investors.

There were no changes in the fundamental shareholder structure. The percentage of VITA shares held by founders and management is now 14.7 percent. The largest single shareholder since the IPO has been the American health insurance company Independence Blue Cross with a share of 20.7 percent. Landesbank Baden-Württemberg held 15.8% via its subsidiaries CFH Beteiligungsgesellschaft mbH (9.15%) and SBF Sächsische Beteiligungsfonds GmbH (6.68%) of VITA 34 International AG. Free-float according to the Deutsche Börse AG definition was 48.8 percent.

# 50% of all transplants of umbilical cord blood from private blood banks in Europe\* come from VITA 34

\* Status end of 2010; Source: Cord Blood Europe Registry

As was the case in the prior quarters the various indices showed a positive development, despite the massive price decline. We, too, are optimistic about a positive share price development for the VITA shares. The positive business figures for 2010 confirm this. The judgment or recommendation of the latest research study by First Berlin Equity Research GmbH is "buy." In this report they evaluate the company as profitable and expect there to be a positive development of business. The target price for the VITA 34 International AG stock was again confirmed to be EUR 7.00.

We will continue to accompany this development with focused capital market communication. We received a thoroughly positive reaction from the capital market to the publication of the 2010 Annual Report on March 24, 2011, both on account of the detailed, transparent and fast communication, as well as due to the integration of the sustainability report. Investors and interested parties can download the Annual Report from our investor relations website [www.vita34group.com](http://www.vita34group.com).

We enable interested parties to contact us via the website or per E-Mail at [ir@vita34group.com](mailto:ir@vita34group.com). Moreover, twice a year we compile corporate and product related information, which previously had been reserved exclusively for VITA 34 end consumer communication, in a letter to shareholders. The next edition will be published at the beginning of May 2011, in which we will present the topics of the attractive online offering, our mobile transplantation team and sustainability.

In addition, we will hold presentations and discussions at the Munich capital market conference on May 11, 2011, and at the Germany Equity Forum in November 2011. The Annual Shareholders Meeting in July 2011 is an important event, and we would like to extend a warm invitation to you to attend.

## 7 RISKS AND MARKET OPPORTUNITIES

With regard to risks and market opportunities, there have been no significant changes to the risks and opportunities listed in the 2010 Annual Report at VITA 34 in Q1 2011.

### 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 Q1 2011 (Xetra)	4.66 EUR / 4.75 EUR / 4.30 EUR / 4.60 EUR
Number of shares issued	2,646,500
Freefloat as of 03/31/2011	48.8 %
Market capitalization as of 03/31/2011	12.2 Mio. EUR
Designated Sponsor	ICF Kursmakler AG



## 8 OUTLOOK

This year, VITA 34 would like to incrementally increase revenue and EBIT, but also storages. In Q1 2011 we once again significantly modified the marketing mix and undertook a reallocation of the budget between different sales measures. Apart from focusing on the most efficient measure, we want to take current market conditions into account with the initiation and implementation of new sales measures. To do this we will employ all available capacities.

We are planning for revenues of more than EUR 18 million for this year following some EUR 17 million in 2010. We endeavor to permanently secure the profitability of the company and to conclude the current fiscal year with a high EBIT. Even in 2010 VITA 34 achieved an EBIT margin of 4.4 percent. In the medium term the intent is to increase this margin to at least 10 percent.

The main focus in the area of internationalization in the next quarters will be on intensive support of the existing cooperative ventures in already developed markets (Spain, Italy, Austria, Switzerland, Slovenia), in order to better tap the potential there. On the Italian market the successful cooperation with our sales partner Sorgente S.r.L. will continue to be intensified. We are expecting a significant increase in the storages from Italy in the current year already. The partnership with the Slovenian Izvorna Celica d.o.o. company will be expanded to other eastern European markets. The opening of the Slovakian market is planned.

An additional bolstering and focusing on sales is planned for increasing revenues in the coming quarters in the German market, which is based on implementing target-group specific and regionally directed measures.

Activities in the area of advertising will be optimized, as will addressing experts and multipliers via the field force. The opening of new sales channels should partially even out the large regional differences with regard to the market shares achieved in the medium term.

Direct sales via the Internet will be intensified and made more attractive with our new online offering. The new price models should make the purchase decision easier for our potential customers, especially young families, in the future.

The decisive growth spurt will come from the increasing number of applications or realized therapies with stem cells from umbilical cord blood. With our mobile transplantation team we have taken an important additional step in setting quality standards in the applications or transplant teams, thus, establishing a differentiating feature.

We expect a significant impetus for the German and international markets and a further increase in acceptance amongst multipliers from an intensive spread of treatment successes. Based on the high number of storages (approx. 80,000) VITA 34 will be able to make a decisive contribution to this in the coming years.

Leipzig, April 18, 2011  
Management Board of VITA 34 International AG

Dr. med Eberhard F. Lampeter

Jörg Ulbrich

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

03/31/2011

## 1 CONDENSED CONSOLIDATED STATEMENT OF INCOME

EUR K	NOTE	01/01/- 03/31/2011	01/01/- 03/31/2010
Revenue		3,714	3,491
Cost of sales		-1,522	-1,254
<b>Gross profit on sales</b>		<b>2,192</b>	<b>2,237</b>
Other operating income		210	237
Selling expenses		-1,901	-1,658
Administrative expenses		-760	-548
Other operating expenses		-151	-108
<b>Net operating profit/loss</b>		<b>-410</b>	<b>160</b>
Finance revenue		66	91
Finance costs		-55	-36
<b>Earnings before taxes</b>		<b>-399</b>	<b>215</b>
Income tax income	5	101	50
<b>Period result</b>		<b>-298</b>	<b>265</b>
Period result attributable to			
Owners of the parent		-284	265
Non-controlling interests		-14	0
Earnings per share, basic / diluted (EUR) attributable to ordinary equity holders of the parent		-0.11	0.10

## 2 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR K	NOTE	01/01/- 03/31/2011	01/01/- 03/31/2010
Period result		-298	265
Changes recognized in other comprehensive income		0	-3
Changes recognized in profit or loss		0	4
<b>Difference from currency translation</b>		<b>0</b>	<b>1</b>
Changes recognized in other comprehensive income		0	-19
Changes recognized in profit or loss		0	-110
<b>Gains/losses on available-for-sale financial assets</b>		<b>0</b>	<b>-129</b>
<b>Total comprehensive income for the year after tax</b>		<b>-298</b>	<b>137</b>
Period result attributable to			
Owners of the parent		-284	137
Non-controlling interests		-14	0

### 3 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ASSETS)

EUR K	NOTE	03/31/2011	12/31/2010
<b>Non-current assets</b>			
Goodwill		13,414	13,414
Intangible assets		6,950	7,027
Property, plant and equipment		3,874	3,767
Other financial assets		65	125
Non-current trade receivables		1,797	1,741
Restricted Cash		475	475
		<b>26,575</b>	<b>26,549</b>
<b>Current assets</b>			
Inventories		593	626
Trade receivables		2,687	2,914
Other receivables and assets		1,440	1,412
Short-term deposits		0	1,500
Cash and cash equivalents	4	2,182	3,687
		<b>6,902</b>	<b>10,139</b>
		<b>33,477</b>	<b>36,688</b>

### 3 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EQUITY AND LIABILITIES)

EUR K	NOTE	03/31/2011	12/31/2010
<b>Equity</b>			
Issued capital		2,647	2,647
Capital reserves		23,236	23,236
Revenue reserves		-7,252	-6,968
Treasury shares		-436	-436
Non-controlling interests		325	339
		<b>18,520</b>	<b>18,818</b>
<b>Non-current liabilities and deferred income</b>			
Interest-bearing loans		2,458	1,760
Silent partners' interests		940	940
Deferred income taxes		846	948
Deferred grants		901	929
Deferred income		5,808	5,838
		<b>10,953</b>	<b>10,415</b>
<b>Current liabilities and deferred income</b>			
Trade payables		491	892
Provisions		16	39
Income tax liabilities		210	210
Interest-bearing loans		976	2,060
Deferred grants		102	102
Other liabilities		980	3,079
Deferred income		1,229	1,073
		<b>4,004</b>	<b>7,455</b>
		<b>33,477</b>	<b>36,688</b>

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

EUR K	EQUITY ATTRIBUTABLE TO THE			
	ISSUED CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	CURRENCY TRANSLATION RESERVE
<b>Balance as of January 1, 2010</b>	<b>2,647</b>	<b>23,236</b>	<b>-7,138</b>	<b>-1</b>
Period result			265	
Other result				1
Comprehensive income	0	0	265	1
Share-based compensation				
<b>Balance as of March 31, 2010</b>	<b>2,647</b>	<b>23,236</b>	<b>6,873</b>	<b>0</b>
<b>Balance as of January 1, 2011</b>	<b>2,647</b>	<b>23,236</b>	<b>-6,968</b>	<b>0</b>
Period result			-284	
Other result				
Comprehensive income	0	0	-284	0
Share-based compensation				
<b>Balance as of March 31, 2011</b>	<b>2,647</b>	<b>23,236</b>	<b>-7,252</b>	<b>0</b>

OWNERS OF THE PARENT					
AVAILABLE-FOR-SALE ASSETS	TOTAL SHAREHOLDERS EQUITY	TREASURY SHARES AT ACQUISITIONS COSTS	NON-CONTROLLING INTERESTS	TOTAL EQUITY	
129	18,873	0	0	18,873	
	265			265	
-129	-128			-128	
-129	137	0	0	137	
	0			0	
0	19,010	0	0	19,010	
0	18,915	-436	339	18,818	
	-284		-14	-298	
				0	
0	-284	0	-14	-298	
				0	
0	18,631	-436	325	18,520	

## 5 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR K	NOTE	01/01/ 03/31/2011	01/01/ 03/31/2010
<b>Cash flow from operating activities</b>			
Earnings before taxes		-399	215
Adjusted for:			
Amortization and depreciation		225	125
Profit / loss from disposal of non-current assets		4	0
Other non-cash expenses and income		-42	132
Exchange differences		0	-6
Finance revenues		-66	-91
Finance expenses		55	36
Cash flow from ordinary operations:			
+/- Trade receivables and other receivables and assets		203	120
+/- Inventories		33	52
+/- Trade payables and other liabilities		-2,500	-1,251
+/- Provisions		-23	-2
+/- Deferred income		126	51
Interest paid		-55	25
Income taxes paid		-1	0
<b>Cash flow from operating activities</b>		<b>-2,440</b>	<b>-594</b>
<b>Cash flow from investing activities</b>			
Purchase of intangible assets		-87	-179
Purchase of property, plant and equipment		-160	-37
Proceeds from sale of property, plant and equipment		1	0
Proceeds from sale of short-term investments		1,500	0
Interest received		66	-36
<b>Cash flow from investing activities</b>		<b>1,320</b>	<b>-252</b>
<b>Cash flow from financing activities</b>			
Changes in loans		-301	0
<b>Cash flow from financing activities</b>		<b>-301</b>	<b>0</b>
Net change in cash and cash equivalents		-1,421	-846
Cash and cash equivalents at the beginning of the reporting period		3,489	6,055
Change in cash and cash equivalents from changes in the consolidation scope		0	-38
Net foreign exchange difference		0	2
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4</b>	<b>2,068</b>	<b>5,173</b>
Short-term investments		0	2,000
<b>Liquid funds</b>		<b>2,068</b>	<b>7,173</b>



## VITA 34 Entnahmeset für Nabelschnurblut

- Inhalt: Nabelschnurblutbeutel für die Entnahme von 140ml Nabelschnurblut mit 20ml CPD.
- Steril, frei von Endotoxinen.
- Nicht verwenden bei Anzeichen von Beschädigungen und nach Ablauf des Verfalldatums.
- Content: Cord blood bag to collect 140ml cord blood on 20ml CPD.
- Sterile, free of endotoxins.
- Must not be used if ... and after ...



Distributed by:  
**VITA 34 AG**  
 Deutscher Platz 5a  
 D-04103 Leipzig

Manufactured by:  
**HEGEWALD**  
 Medizinprodukte GmbH  
 GutsMuths-Platz 1  
 D-09638 Lichtenberg

Komponente [g]

Natriumcitrat-Dihydrat  
 Citronensäure  
 Natrium  
 Glucose  
 WFI

Ansatzmenge [1L]

946,50



EF 108120  
 DT 10/2008  
 A  
 10/2009

Probe 4

made in Germany

# NOTES ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1 COMPANY INFORMATION

The parent VITA 34 International AG (the "Company") domiciled in Leipzig (Germany), at Deutscher Platz 5a, and filed in the register court of the Leipzig district court under HRB 20339 is a pure holding company and carries out management and financing functions for its subsidiaries. Its subsidiaries (together with the Company referred to as the "Group") operate in the field of cord blood storage. Their business purpose is to collect, process and store stem cells from cord blood and to develop cell therapeutics.

The unaudited, condensed, consolidated interim financial statements for the period from January 1 until March 31, 2011 were approved for publication by the Management Board on April 18, 2011.

## 2 ACCOUNTING AND VALUATION PRINCIPLES

### 2.1 Basis for the Preparation of the Financial Statements

The preparation of the consolidated interim financial statements for the period from January 1 until March 31, 2011 has been conducted in accordance with IAS 34 "Interim Financial Reporting".

The condensed consolidated 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 consolidated financial statements as of December 31, 2010.

### 2.2 Significant Accounting and Valuation Methods

The accounting and valuation methods used to prepare the condensed consolidated interim financial statements correspond with the methods used in the preparation of the consolidated financial statements for the fiscal year as of December 31, 2010.

The group used the following new and revised IFRS standards and interpretations for the first time as of January 1, 2011:

- :: Changes to IAS 24: Related Party Disclosures
- :: Amendments to IAS 32: Financial Instruments – Presentation
- :: Changes to IFRIC 14: The Limit on a Defined benefit Asset, Minimum Funding Requirements and their Interaction
- :: IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments
- :: Improvements to IFRS 2010

The standards and interpretations required to be used for the first time starting January 1, 2011 resulted in no significant effects on the interim financial statements of VITA 34 International AG.

## 3 CONSOLIDATION SCOPE

The consolidated interim financial statements encompass, apart from the parent company VITA 34 International AG, the interim financial statements of the following subsidiaries:

- :: VITA 34 AG, Leipzig, Germany,
- :: Novel Pharma, S. L., Alcala de Henares (Madrid), Spain,
- :: Secuvita, S. L., Madrid, Spain.

#### 4 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>03/31/2011</b>	<b>03/31/2010</b>
	<b>EUR K</b>	<b>EUR K</b>
Short-term deposits	0	2,000
Cash at banks and in hand	2,182	5,173
Current account overdrafts	-114	0
	<b>2,068</b>	<b>7,173</b>

#### 5 INCOME TAXES

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

<b>MAJOR COMPONENTS OF THE INCOME TAX INCOME</b>	<b>01/01/- 03/31/2011</b>	<b>01/01/- 03/31/2010</b>
<b>CONSOLIDATED STATEMENT OF INCOME</b>	<b>EUR K</b>	<b>EUR K</b>
<b>Current income tax</b>		
Current income tax expense/income	1	-195
<b>Deferred income tax</b>		
Origination and reversal of temporary differences	-11	266
On unused tax losses	-91	-121
<b>Income tax income</b>	<b>-101</b>	<b>-50</b>

#### 6 SEGMENT REPORTING

Segment reporting has been done in accordance with the following geographical areas of activity:

:: Germany, Austria, Switzerland (DACH);  
:: Spain.

Segment reporting according to products and services is not done, since the group deals exclusively with the storage of umbilical cord blood.

##### 6.1 Information on geographical segments

The geographic segments of the group are determined in accordance with the revenues earned in the geographical areas.

The operating profit/loss of the business units is monitored by management separately, in order to make decisions concerning the distribution of resources and to determine the profitability of the units. The development of the segments is evaluated using the operating profit. The group financing (including finance revenues of EUR 66k and finance costs of EUR -55k) as well as taxes on income and profits, are taxed uniformly across the groups and are not attributed to the individual segments.

The offset prices between the operative segments are determined in accordance with typical market conditions amongst unrelated third-parties.

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 March 31, 2011:

PERIOD FROM 01/01 – 03/31/2011	CONSOLID-				
	DACH	SPAIN	TOTAL	ATED	GROUP
	EUR K	EUR K	EUR K	EUR K	EUR K
Income from transactions with external customers	2,464	1,250	3,714	0	3,714
Income from transactions with other segments	391	0	391	-391	0
	<b>2,855</b>	<b>1,250</b>	<b>4,105</b>	<b>-391</b>	<b>3,714</b>
EBIT (operating profit)	-258	-152	-410	0	-410
Depreciation	130	95	225	0	225
Segment assets	33,536	9,417	42,953	-9,476	33,477
Segment liabilities	13,574	10,859	24,433	-9,476	14,957

In the comparable period the prior year the Company only had one business segment subject to reporting. The Company generates income exclusively in Europe. Here, the geographical segment comprising Germany, Austria and Switzerland generated income of EUR 2,927k, while the Spanish segment recorded a figure of EUR 564k.

## 6.2 Information on important customers

The Group income for the period from January 1 to March 31, 2010 shows income from Secuvita that exceeds 10 percent of the Group's total income. The income in this period was EUR 564k.

## 7 RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions which have been entered into with related parties for the period from January 1 to March 31, 2011 and 2010:

EXPENSES TO RELATED PARTIES	TOTAL AMOUNT OF TRANSACTIONS	
	2011	2010
PERIOD FROM 01/01 – 03/31/	EUR K	EUR K
<b>Compensation of key management personnel of the Group:</b>		
Short-term benefits:		
- Remuneration of the Supervisory Board	9	7
- Management Board salaries	78	97

## FINANCIAL CALENDAR 2011

March 24, 2011	Publication of Annual Report 2010
April 18, 2011	Publication of Q1 Report
May 2011	Publication of Shareholders Letter [Aktionärsbrief]
May 11, 2011	Munich Capital Market Conference
July 18, 2011	Publication of Q2 Report
July 2011	Annual General Meeting
October 17, 2011	Publication of Q3 Report
November 2011	German Equity Forum

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VITA 34 on the Internet: [www.vita34group.com](http://www.vita34group.com)

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