



VITA 34 INTERNATIONAL AG – HEALTHCARE

V3V

On 21 November press articles announced that scientists in the US and Japan discovered a way to re-program (manipulate) human skin cells into cells which they believe are identical to embryonic stem cells. The share price fell strongly following the article, with investors speculating that these artificially created embryonic-like stem cells could replace Vita 34's umbilical cord blood (UCB) stem cells for therapeutic use. However, the published results are based on basic research and in our view it will be at least 10 years before tests on humans take place. Moreover, it is unclear if the cells can be applied for therapeutic use, given the enormous hurdles that need to be overcome (the cells are 'young' and hard to control since they reproduce rapidly, having the potential to form tumours and cancer). And UCB stem cells are already used to cure patients with over 70 diseases (cancer and other blood disorders). We reiterate our Buy recommendation and €2.00 price target.

PRICE TARGET:
€2.00

RISK RATING:
Medium

CLOSING PRICE:
€13.97

MARKET CAP:
€36.97m

2009 P/E:
na

AV. VOL. (5 day):
26,194

AV. VOL. (6 mos):
10,354

	2006	2007E	2008E	2009E
Revenue €m	11.56	14.93	19.01	28.89
Y-o-y growth	12.9%	29.2%	27.3%	52.0%
EBIT €m	0.50	-2.19	-2.39	0.89
Net income €m	-2.87	-1.61	-1.69	0.60
EPS €	-1.40	-0.61	-0.64	0.23

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