

INTERIM REPORT

January to March 2008



CONSOLIDATED KEY FIGURES

		01/01/– 03/31/2008	01/01/– 03/31/2007
STEM CELL PREPARATIONS			
Umbilical cord blood storages	Number	2,453	2,446
PROFIT / LOSS			
Revenues	EUR k	3,582	3,524
Gross profit	EUR k	2,385	2,399
EBIT	EUR k	–345	264
Period result	EUR k	88	1,354
		03/31/2008	03/31/2007
BALANCE SHEET / CASH FLOW			
Total assets	EUR k	31,177	34,325
Equity	EUR k	19,826	22,404
Equity ratio	%	63.6	65.3
Liquid funds	EUR k	8,894	12,983
Capital expenditures*	EUR k	236	209
Depreciation*	EUR k	101	76
Cash flow from operating activities	EUR k	–1,748	–1,028
EMPLOYEES			
Employees (as of March 31)	Number	112	78
Personnel expenditures	EUR k	1,433	1,109

*Information for tangible and intangible assets

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LETTER TO THE SHAREHOLDERS

Dear Shareholders and Friends of our company,

we have dedicated ourselves to open communication with the capital markets, therefore, let us openly admit: despite numerous operative successes and positive developments, we are not fully satisfied with the VITA 34 figures in the first three months. If revenues of EUR 3.6 million and storages of 2,453 are only slightly above the prior year's figures, this is not enough with regard to our ambitious growth targets.

Experience shows that we have not seen a linear trend in revenues or storages within a fiscal year. For example, in 2007 we were clearly above the plans we had published at the IPO. In the wake of the positive effects of publications concerning therapeutic successes with umbilical cord blood, which positively influenced a large portion of last year, in accordance with our plans for 2008 we expect the effects of our new marketing and sales strategy to become more and more evident. With regard to the bundle of measures implemented after the IPO in March 2007 we, as is known, are counting on successes within 12 to 18 months, thus, as of mid 2008.

We further expanded the basis for this in the Q1 of 2008. It is of essential significance for VITA 34 in the expansion of the market for umbilical cord blood storage that the acceptance be increased through the support of multipliers. We are increasing observing the success of this. It contributes significantly to our new VITApplusSpende offering, that is experiencing very positive response. If parents choose this, the umbilical cord blood of their child is first

stored for private use, and the data are entered anonymously into a register. If in the coming years precisely this umbilical cord blood is needed for another patient, the parents can decide whether or not to donate their child's umbilical cord blood.

Leading physicians have made very positive comments about VITApplusSpende. At the beginning of the year, the renowned journal of the German Gynaecologists Association "Der Frauenarzt" published a long and very positive article on this topic and regarding the storage of umbilical cord blood, written by the Chief Physician of the OB/GYN Clinic of the University Hospital Basel, Prof. Wolfgang Holzgreve. A supplemental commentary by the Secretary of the Professional Association of Gynecologists of Germany, Dr. med. Werner Harlfinger, states: "Under these conditions it will be easier for colleagues to support the donation of umbilical cord blood. I personally like the concept very much."

Such statements are, of course, extremely valuable for the expansion of our provisional medical service and they document an every increasing positive attitude amongst professionals. This should help us to successively draw attention away from older, partially negative, statements that are found when performing Internet searches. We are working intensively on improving the presentation in the media and on search engines. In the coming weeks we plan to present VITApplusSpende to a broad audience more visibly, and we expect that this will have a direct affect on the number of inquiries.



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

We have also noticed an incremental opening towards private umbilical cord blood storage in the case of health insurance funds.

We were able to announce an additional cooperation with a public health insurance fund in Q1, the fourth in the last 12 months. Those insured by the Gruner + Jahr company insurance fund will receive a subsidy of EUR 200 towards the storage of umbilical cord blood in the future. The cooperation with private and public health insurance funds is an important milestone, with which we are attracting multipliers for our service.

We have also increased efforts to directly approach parents. After starting television advertising in December 2007, we continued it with great success in Q1. We were pleased to see that visits to our Internet site with in-depth information increased three or four-fold while the spots were running and directly thereafter.

We adhered to our plan in the roll-out of our marketing and sales strategy at the end of Q1. With regard to personnel, this encompasses both the expansion of the field force as well as bolstering the Tele-Sales team.

The comprehensive presentation of our activities in Germany should not obscure the uninterrupted positive development of the cooperation with our Spanish partner, Secuvita. The number of storages coming from Spain is increasing at a pleasing rate, such that we are predicting

an increase of up to 3,000 for this market alone. The example of Spain shows us that careful internationalization is profitable for VITA 34.

We are confident that in the further course of 2008 VITA 34 will be able to further expand its absolute and undisputed position as the market leader among private umbilical cord blood banks in the German-speaking countries, and that in doing so the market itself will develop on the whole. Our market share of at least 66 percent should have even increased slightly in the last few months.

Thanks to our outstanding position and the measures described, we expect our ambitious goals for 2009, nearly a doubling of the revenues as compared to 2007, will result in a return to positive figures. This continues to be a very attainable scenario. We are working hard on realizing it.

Best regards and our sincere thanks for the trust you have extended to us.

Leipzig, April 14, 2008

Dr. Eberhard Lampeter

Peter Boehnert

GROUP INTERIM REPORT

01/01/–03/31/2008

1 SUMMARY

The acceptance of the company's service, which offers a provision against future needs, amongst expecting parents is of great importance for the further development of VITA 34. Currently, umbilical cord blood is only stored for later use of the stem cells in less than 2 percent of all births in Germany. In other countries, the storage rate is in part significantly higher – in the Asian countries up to 15 percent. International studies, as well as VITA 34's operating experience show that willingness to store umbilical cord blood increases with a higher level of information concerning the procedure and potential applications.

Correspondingly, VITA 34 is working towards developing the market for the storage of umbilical cord blood in Germany through targeted information and the inclusion of multipliers such as OB/Gyn physicians and midwives. As the leading company, with a market share of more than 66 percent in Germany, VITA 34 in particular will profit from this.

The success of the marketing and sales strategy should, accordingly, override the influence of general economic developments on the VITA 34 business. To achieve this goal, the number of personnel in the Marketing and Sales departments have been significantly increased since the IPO in March 2007. The expenditures for external presentation, for example via advertising, were increased according to plan. The Management Board of VITA 34 expects the measures initiated to develop their effect in each case with a ramp-up period of 12 to 18 months.

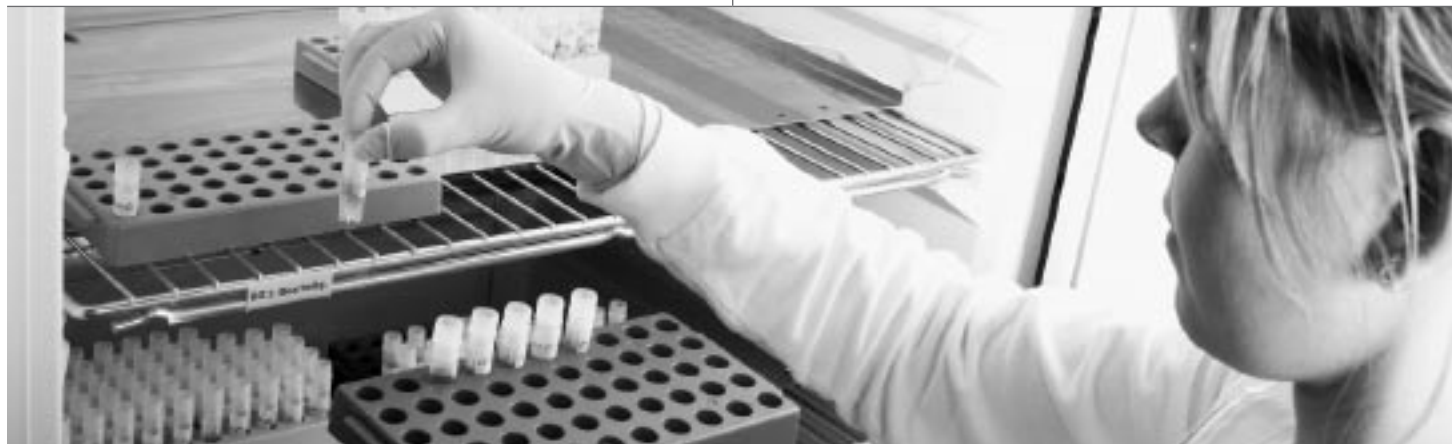
2 REVENUE AND PROFIT SITUATION

The number of **stored stem cell preparations** in Q1 2008 increased slightly as compared to the previous year, from 2,446 to 2,453. Here, it should be taken into account, that in Q1 2007 positive publication concerning successful treatments with stem cells from umbilical cord blood led to a significant increase in the number of preparations stored. The current storage figures represent the best first quarter in the more than ten-year VITA 34 company history. Nearly 30 percent of the preparations stored in this period came from our Spanish distribution partner Secuvita.

With regard to **revenues**, which lag behind storages by a period of about six weeks, the record quarter of the prior year was again exceeded by 2 percent. 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.

Revenues in the period rose to EUR 3.6 million following some EUR 3.5 million during the same period the prior year. In the case of revenues, the share generated by Secuvita was some 19 percent. Revenues with Secuvita are characterized by a significantly lower amount per storage, the gross margin is also slightly lower than is the case with storages in Germany, however, this results in a significantly higher net profit, since VITA 34 does not incur sales expenditures here.

Gross profit remained stable at some EUR 2.4 million due to the increased share of Secuvita business as compared to the previous year.



The **sales expenditures** rose significantly according to plan, since they contained the advance costs for expanding the Marketing and Sales departments. The sales expenditures of EUR 2.3 million were around 41 percent over those for the prior year's period. The **administrative costs** rose less, namely by some 11 percent to EUR 0.65 million as compared to EUR 0.59 million a year earlier.

Earnings before interest and taxes, **EBIT**, turned negative as expected based on the planned expansion of sales expenditures, and were EUR -0.35 million. In the same quarter the prior year a positive EBIT of EUR 0.26 million was earned.

The **financial result** was positive due to the increased liquidity following the IPO and was EUR 0.1 million as compared to the neutral financial result in the prior year's period. In the case of profit tax, the change in the deferred taxes led to a positive effect of some EUR 0.1 million, whereas in the prior year's period an expenditure of nearly EUR 0.2 million lowered the profit.

Altogether, the **result from the continued business** was EUR -0.2 million according to IFRS in Q1 2008. In Q1 2007, EUR 0.1 million were earned. A profit of more than EUR 0.2 million from discontinued operations was realized in the reporting period. It **resulted from dissolving provisions** that had been accrued for a long-term lease of

CorCell in the USA. It was possible to transfer this contract to a prior tenant. In the prior year's period a profit from discontinued operations of nearly EUR 1.4 million resulted within the context of the divestiture of CorCell.

The **period result** in the group in Q1 amounted to nearly EUR 0.1 million as compared to some EUR 1.4 million a year before. The profit per share in Q1 2008 in VITA 34 was, correspondingly EUR 0.03 following EUR 0.65 in the prior year's period.

The income statement mainly reflects the new marketing and sales strategy, which is associated with the significantly increased expenditures in this area. Its effects will prospectively have a positive influence on revenues in the coming periods.

3 FINANCIAL AND ASSET SITUATION

Financial Situation

The **cash flow** of VITA 34 in Q1 2008 was, as planned, negative. Altogether there were cash outflows in the amount of EUR 2.1 million. Here, the greatest share resulted from **operating activities**: Here, cash flow was negative at EUR 1.7 million. The increase in receivables took an adverse effect on cash in the quarter of more than EUR 0.8 million, while the reduction of liabilities also reduced cash by nearly EUR 0.8 million.

Cash flow from investment activities was slightly negative at EUR -0.2 million. Here, payments for the acquisition of plant and equipment affected the numbers; they were made for purchasing cryo tanks. The **cash flow from financing activities** was marginally negative with EUR -0.1 million.

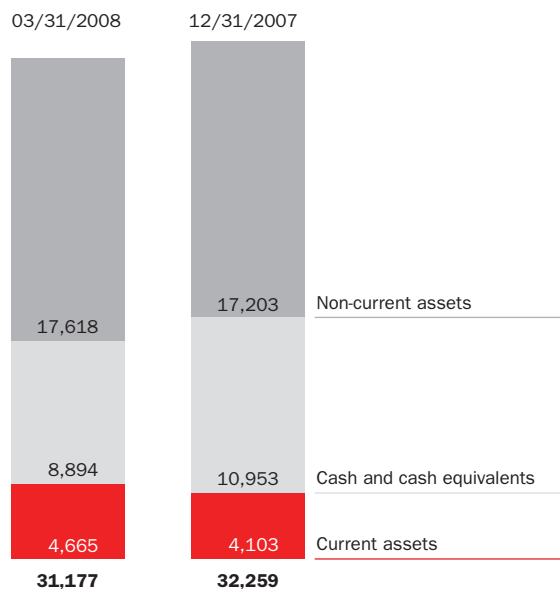
The **cash at the end of the period** was EUR 8.9 million, as compared with some EUR 11 million as of December 31, 2007.

Assets

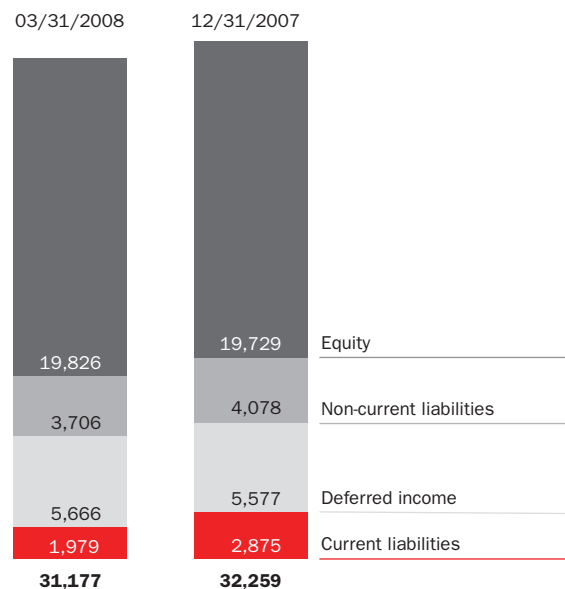
It was possible to tighten up the balance sheet of VITA 34 as of March 31, 2008, in such a manner that the **balance sheet total** dropped to EUR 31.2 million, while at the end of 2007 it was still EUR 32.3 million. The change lay mainly in the reduction of liabilities while simultaneously reducing current assets. **Equity** as of March 2008 increased to nearly 64 percent, and exceeded the year end value of 61 percent by three percentage points.

Non-current assets represented the majority of the VITA 34 assets. They rose to EUR 17.6 million following EUR 17.2 million at the end of 2007. The most important component here was again **goodwill**, which remained unchanged at EUR 11.9 million for VITA 34 AG. The entire operating business of VITA 34 is contained in this company; the publicly traded VITA 34 International AG holds 100 percent of the shares. **Property, plant and equipment** with EUR 2.8 million represented an additional important component, which increased by some EUR 0.2 million. 1.7 million of

Assets



Equity and liabilities





the non-current assets were **non-current trade receivables**, which increased as of March 31, 2008 by EUR 0.2 million as compared with year's end 2007.

Current assets totaled EUR 13.6 million following EUR 15.1 million as of December 31, 2007. The trade receivables contained therein climbed to EUR 1.9 million and were, thus, nearly EUR 0.6 million over those contained in the year end statements for 2007. **Cash and cash equivalents** decreased by EUR 2.1 million to EUR 8.9 million, down from EUR 11.0 million. Restricted cash in the amount of EUR 1.1 million is not contained in the cash and cash equivalents.

The largest component of the **liabilities** of VITA 34 as of March 31, 2008 was **equity** in the amount of EUR 19.8 million, as compared to EUR 19.7 million as of December 31, 2007. The change was mostly due to placement of the period profit of EUR 0.1 million in retained earnings. The issued capital remained constant at EUR 2,646,500. Capital reserves were EUR 23.1 million.

Non-current liabilities decreased slightly from EUR 9.2 million to EUR 8.9 million. This mainly reflects the dissolution of reserves in the amount of EUR 0.3 million. The most significant item is **deferred income** totaling EUR 5.6 million. This is where the storage fees for stem cell preparations that customers pay in advance are recorded. This deferred income is dissolved linearly over the prepaid term.

Current liabilities decreased significantly from EUR 2.9 million to EUR 1.9 million. Thus, the other liabilities decreased to EUR 0.9 million as of March 31, 2008. At the end of 2007 they had been nearly EUR 1.4 million.

4 INVESTMENTS

In Q1 2008 the investments in property, plant and equipment and intangible assets rose slightly as compared with the prior year's period by EUR 0.2 million. The investments in the reported period were mainly in expanding the cryo and storage capacities at the company's headquarters in Leipzig. Moreover, in the IT area, additional process software was acquired and installed. There are no plans to significantly change the level of investment in the coming periods.

5 EMPLOYEES

As of March 31, 2008, VITA 34 employed a total of 112 people. Three months before that there had been 110 employees. The by far greatest share was unchanged, the Marketing and Sales department with 57 employees. This is 51 percent, a percentage that corresponds with the 2007 year's end figure.

Altogether 55 people were employed in the Production and Quality Assurance departments as well as in the Administrative department.



6 VITA 34 ON THE CAPITAL MARKET

The VITA 34 shares could not escape the weakness of the international capital markets in Q1 2008. The stock price lost 22 percent and, thus, fared worse than e.g. the SDAX specialized index, which lost 14 percent of its value. However, the VITA 34 stock price showed better development than the SDAX over the entire year 2007. The closing price of VITA 34 on the Xetra as of March 31, 2008 was EUR 9.70 as compared with EUR 12.50 at year's end 2007. The share reached its highest quarterly price of EUR 12.50 on January 8 and its low of EUR 9.47 on March 25.

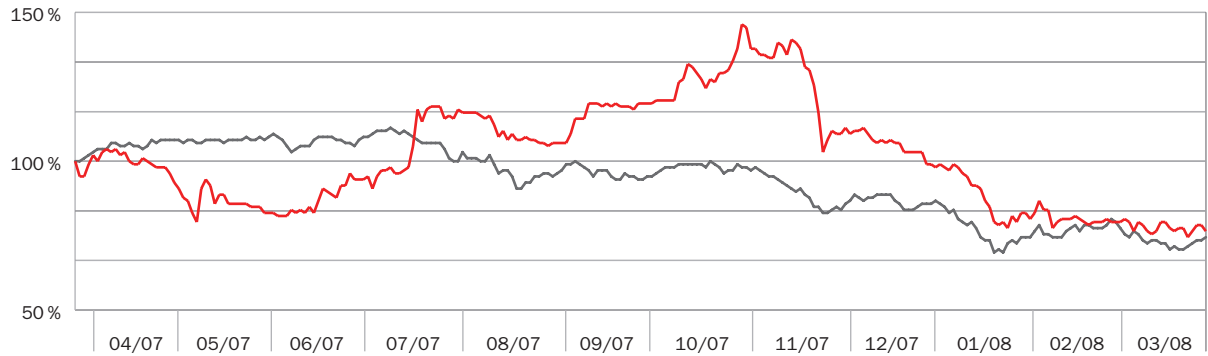
On the positive side it should be noted that the trading volume in the downward trend of Q1 was clearly behind

the high turnovers of the increase, primarily in the second half of 2007. On average some 3,650 shares were traded per day in Q1 2008. In the entire year 2007 more than double this number of shares were traded. The most active trading market in the quarter was Xetra. Some 85 percent of trades were on this exchange.

In order to ensure good liquidity with tight margins between two-way prices on the Xetra, two designated sponsors were active on behalf of VITA 34, Concord Investmentbank AG and Close Brothers Seydler AG. VITA 34 is striving for a renewed increase in the daily trading volume of the shares, in order to make them more attractive as an investment.

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 1 st quarter 2008 (XETRA)	12.40 EUR / 12.50 EUR / 9.47 EUR / 9.70 EUR
Number of shares issued	2,646,500
Freefloat as of 03/31/2008	47%
Market capitalization as of 03/31/2008	25.7 Mio. Euro
Designated Sponsor	Close Brothers Seydler AG / Concord Investmentbank AG



Xetra historical stock price since IPO at 03/27/2007

— VITA 34 International AG — SDAX

Again in Q1 2008, VITA 34 communicated in a timely, transparent and in-depth manner with investors and the financial media. Correspondingly, institutional investors in several German cities were visited within the context of personal discussions. They were presented with the VITA 34 business model and outlook. A continuation of the roadshow activities in Q2 was initiated in an international context. In addition, VITA 34 presented at several international capital market conferences. Unchanged, First Berlin/Commerzbank, Concord Investmentbank and Deutsche Apotheker- und Ärztebank analyzed the VITA 34 stock.

The annual report for 2007 was published on February 15, 2008 already, and it can be downloaded from the Investor Relations section of the company. Additional information is also available for download there.

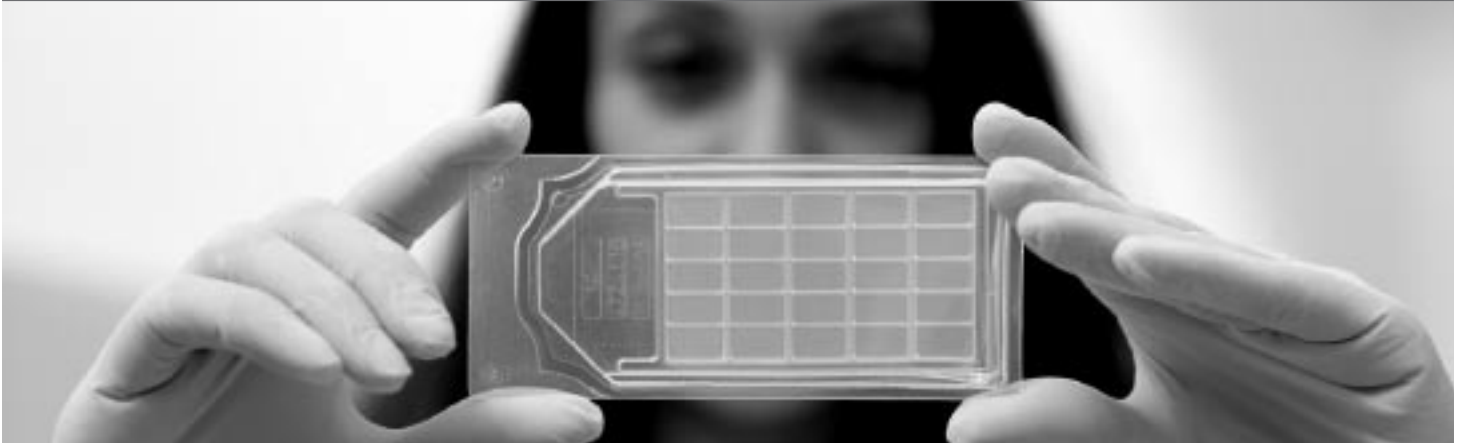
With a total number of shares totaling 2,646,500 nominal shares, the free-float according to the Deutsche Börse definition increased to 47 percent. On March 10, 2008 a voting rights notice was published in accordance with Sec. 21 para. 1 German Securities Act, according to

which Sachsen Finanzgruppe as a prior large shareholder reduced its holdings from 15 percent to 0 percent. This publication caused insecurity amongst several investors, however, it was only a technical procedure within the course of the acquisition of Sachsen LB by Landesbank Baden-Württemberg (LBBW).

VITA 34 is listed in the Prime Standard segment of the Deutsche Börse and communication with the capital market on a high level will be continued.

7 RISKS AND MARKET OPPORTUNITIES

The risks and market opportunities for VITA 34 have not changed significantly from those contained in the 2007 Annual Report.



8 OUTLOOK

In the further course of the year VITA 34 will continue to focus all efforts on sales and marketing in accordance with strategy. At the beginning of Q2 the Marketing and Sales department was correspondingly expanded by 7 additional employees. In addition, the Tele Sales team is to be further expanded in the coming quarters according to plan.

In parallel with this, the cooperation discussions with additional private and public health insurance funds will be continued and intensified. VITA 34 expects that in the future additional corresponding agreements can be signed. The short-term goal is to increasingly attract health insurance funds with large numbers of members. Moreover, existing cooperative arrangements are to be intensified. Awareness of VITAplusSpende will also be increased on the market and amongst the target group, in order to increase acceptance for the storage of umbilical cord blood. Very encouraging estimates were noted in Q1 from specialized physicians.

With regard to external communications, preparations were made in Q1 for an optimization of the existing print advertising lines. Their implementation is now starting an additional success is expected from them beginning by mid year. In addition, VITA 34 endeavors to further improve its own external presentation in the coming months. A particular emphasis here is the Internet. Surveys by VITA 34 have shown that some 80 percent of all inter-

ested expecting parents gather information via this medium. It is important for VITA 34 that the information concerning the storage of umbilical cord blood on the World Wide Web is comprehensive, clearly comprehensible and correct. The effects of these measures should also be evident after several months.

VITA 34 expects that the share of revenues from outside Germany will increase in 2008. The cooperation with Secuvita in Spain should contribute significantly to this. A roughly 50 percent higher share of storages should result from this than in the already successful year 2007, namely 3,000. In addition, VITA 34 expects revenues from consulting services in conjunction with the storage of umbilical cord blood in countries outside of Europe. The corresponding negotiations are of a positive nature. Thus, VITA 34 will put its recognized expertise to the test again internationally, and present an exemplary, additional revenue model.

In all, VITA 34 is convinced that it can further expand its position as the market leader among private umbilical cord blood banks in the German-speaking countries in 2008, and pave the way for the declared corporate objectives by developing the domestic market and by means of well thought-through foreign activities: Increase revenues in 2009 to be double those of the successful year 2007 and, after preparations for the new sales strategy, be in the black again.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

03/31/2008

1 CONDENSED CONSOLIDATED INCOME STATEMENT

EUR K	NOTE	01/01/- 03/31/2008	01/01/- 03/31/2007
Continuing operations			
Revenues		3,582	3,524
Cost of sales		-1,197	-1,125
Gross profit		2,385	2,399
Other operating income		226	103
Selling expenses		-2,288	-1,624
Administrative expenses		-649	-585
Other operating expenses		-19	-29
Net operating income		-345	264
Finance revenues		140	44
Finance costs		-45	-51
Earnings before taxes		-250	257
Income tax expense	5	90	-156
Result from continuing operations		-160	101
Discontinued operation			
Profit from discontinued operations	3	248	1,253
Period result		88	1,354
Earnings per share, basic / diluted (EUR)			
		0.03	0.65
Earnings per share from continuing operations, basic / diluted (EUR)			
		-0.06	0.05

2 CONDENSED CONSOLIDATED BALANCE SHEET (ASSETS)

EUR K	NOTE	03/31/2008	12/31/2007
Non-current assets			
Goodwill		11,911	11,911
Intangible assets		721	740
Property, plant and equipment		2,776	2,622
Investments		211	214
Other financial assets		35	35
Deferred tax assets		312	222
Non-current trade receivables		1,652	1,459
		17,618	17,203
Current assets			
Inventories		502	572
Trade receivables		1,874	1,254
Other receivables and assets		1,223	1,211
Short-term investments		1,966	1,951
Restricted cash		1,066	1,066
Cash and cash equivalents	4	6,928	9,002
		13,559	15,056
		31,177	32,259

2 CONDENSED CONSOLIDATED BALANCE SHEET (LIABILITIES)

EURK	NOTE	03/31/2008	12/31/2007
Equity			
Issued capital		2,647	2,647
Capital reserves		23,135	23,116
Revenue reserves		-5,934	-6,022
Other reserves		-22	-12
		19,826	19,729
Non-current liabilities and deferred income			
Interest-bearing loans		1,625	1,625
Silent partners' interests		1,423	1,417
Provisions		0	299
Deferred grants		658	676
Trade payables		0	61
Deferred income		5,227	5,154
		8,933	9,232
Current liabilities and deferred income			
Trade payables		913	884
Provisions		133	215
Income tax liabilities		112	112
Interest bearing loans		125	213
Deferred grants		81	81
Other liabilities		915	1,370
Deferred income		439	423
		2,418	3,298
		31,177	32,259

3 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR K	NOTE	01/01/– 03/31/2008	01/01/– 03/31/2007
Cash flow from operating activities			
Earnings before taxes		–250	257
Adjusted for:			
Amortization and depreciation		101	76
Disposal of non-current assets		0	6
Other non-cash expenses and income		–2	0
Exchange differences		–15	–15
Finance expenses and revenues		–15	–38
Expenses of stock-based compensation		19	0
Changes in deferred grants		0	–10
Cash flow from ordinary operations			
+/- Trade receivables and other receivables and assets		–825	–498
+/- Inventories		70	–20
+/- Trade payables and other liabilities		–787	–693
+/- Provisions		–133	–183
+/- Deferred income		89	96
Income taxes paid		0	–6
Cash flow from operating activities		–1,748	–1,028
Cash flow from investing activities			
Purchase of intangible assets		–25	–46
Purchase of property, plant and equipment		–211	–163
Proceeds from sale of equipment		0	33
Cash flow from investing activities		–236	–176
Cash flow from financing activities			
Proceeds from issuance of share capital		0	8,140
Changes in silent partnerships		6	5
Loan redemption		–88	341
Cash flow from financing activities		–82	8,486
Net change in cash and cash equivalents from continued operations		–2,066	7,282
Change in cash and cash equivalents from discontinued operations			
from operating activities		0	–16
from investing activities		0	0
from financing activities		0	1,342
Cash flow used in discontinued operations		0	1,326
Net change in cash and cash equivalents		–2,066	8,608
Cash and cash equivalents at the beginning of the reporting period		10,068	3,029
Net foreign exchange difference		–8	–10
Cash and cash equivalents at the end of the reporting period	4	7,994	11,627
Short-term investments		1,966	2,356
Restricted cash	4	–1,066	–1,000
Liquid funds		8,894	12,983

4 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR K	ISSUED CAPITAL	CAPITAL RESERVE	REVENUE RESERVES	OTHER RESERVES	TOTAL EQUITY
January 1, 2007	2,047	15,629	-4,837	96	12,935
Difference arising from foreign currency translation				-25	-25
Period result			1,354		1,354
Total period result	0	0	1,354	-25	1,329
Issue of capital stock	600	8,400			9,000
Transaction costs		-860			-860
	600	7,540	0	0	8,140
March 31, 2007	2,647	23,169	-3,483	71	22,404
January 1, 2008	2,647	23,116	-6,022	-12	19,729
Book profits/(losses) recorded in equity				13	13
Difference arising from foreign currency translation				-23	-23
Stock-based compensation		19			19
Period result			88		88
Total period result	0	19	88	-10	97
March 31, 2008	2,647	23,135	-5,934	-22	19,826

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. 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, condensed consolidated interim financial statements for the period from January 1 until March 31, 2008 were approved for publication by the Management Board on April 11, 2008.

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 March 31, 2008 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, 2007.

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, 2007.

The standards and interpretations required to be used for the first time starting January 1, 2008 resulted in no significant effects on the interim financial statements.

The company has applied IFRS 8 “Business Segments” in advance as of January 1, 2008. The application of this standard did not have an affect on the asset, financial and profit situation of the group. It did, however, lead to additional information in the notes on the condensed consolidated interim financial statements.

3 PROVISIONS

In the first quarter of 2008 the group was successful in completely transferring the obligations arising from an onerous, long-term lease of CorCell, Inc. to a previous tenant of the business space by paying a lump sum settlement in the amount of US\$ 262,314. Within the course of transferring the lease, additional expenses were incurred for broker’s fees in the amount of US\$ 50,000.

The transfer of the lease resulted in income of EUR 248 k as a consequence of dissolving the provision for this onerous, long-term lease, which is listed separately as “Income from discontinued operations.”

4 CASH AND CASH EQUIVALENTS

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

OVERVIEW CASH AND SHORT-TERM-DEPOSITS	03/31/2008	03/31/2007
	EURK	EURK
Cash at banks and in hand	6,928	10,627
Restricted cash	1,066	1,000
	7,994	11,627

5 INCOME TAXES

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

MAJOR COMPONENTS OF THE INCOME TAX EXPENSE	01/01–03/31/2008	01/01–03/31/2007
	EURK	EURK
Current income tax		
Current income tax expense	0	113
Deferred income tax		
Origination and reversal of temporary differences	29	43
on unused tax losses	-119	0
Income tax expense reported in the consolidated income statement	-90	156

6 SEGMENT REPORTING

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

- :: Germany, Austria, Switzerland (DACH)
- :: Spain
- :: USA (discontinued operations)

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

The geographic segments of the group are determined in accordance with the revenues earned in the geographical areas. 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 operating profit/loss of the segments 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. Here, the determination of the operating profit/loss can deviate from the consolidated financial statements in certain regards (see following table). The group financing (including finance expenses and revenues) 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, 2008, or 2007.

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.

01/01–03/31/2008	DACH	SPAIN	USA	TOTAL
	EUR K	EUR K	EUR K	EUR K
Revenue				
Segment revenue	2,916	666	0	3,582
Other segment information				
Segment result before Interest and tax	-332	146	0	-186
Unallocated profit/loss				-159
Segment result				-345
Profit/loss from discontinued operation	0	0	0	0
Segment assets	22,327	620	0	22,947
Unallocated assets				8,230
Total assets				31,177
Segment liabilities	11,272	0	0	11,272
Unallocated liabilities				79
Total liabilities				11,351
01/01–03/31/2007				
	DACH	SPAIN	USA	TOTAL
	EUR K	EUR K	EUR K	EUR K
Revenue				
Segment revenue	3,419	105	104	3,628
Other segment information				
Segment result before Interest and tax	510	-14	0	496
Unallocated profit/loss				-232
Segment result				264
Profit/loss from discontinued operation	0	0	1,253	1,253
Segment assets	22,526	85	0	22,611
Unallocated assets				11,714
Total assets				34,325
Segment liabilities	10,365	0	0	10,365
Unallocated liabilities				1,556
Total liabilities				11,921

The segment operating profit/loss does not contain any finance revenues (EUR 140 k), finance expenses (EUR 45 k) and income tax expenses (EUR 90 k), since they are not directly attributable to the individual segments.

The segment assets do not contain any deferred taxes (EUR 90 k) since these assets are taxed at the group level.

The segment liabilities do not contain any actual taxes (EUR 112 k), since these liabilities are taxed at the group level.

Income with a single external customer is listed under the "Spain" segment income, which exceed 10% of the income of the group. Income in the period from January 1 to March 31, 2008 was EUR 666 k (January 1 to March 31, 2007: EUR 105 k).

7 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 March 31, 2008 or 2007:

EXPENSES TO RELATED PARTIES	TOTAL AMOUNT OF TRANSACTIONS	
01/01/–03/31/	2008	2007
	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:	4	36
Compensation of key management personnel of the Group:		
Short-term benefits:		
– Remuneration of the Supervisory Board	15	14
– Management Board salaries	132	170
Other long-term benefits:		
– The Management Board of VITA 34 International AG	24	0
Share-based compensation		
– The Management Board of VITA 34 International AG	19	0

FINANCIAL CALENDAR

June 6, 2008	Annual Shareholders Meeting in Leipzig
July 14, 2008	Publication of Semi-Annual Report
October 13, 2008	Publication of 9-month report
November 2008	Analysts' Conference

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This interim report was published in German and English on April 14, 2008 and is available for download on our Internet site.

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