

# INTERIM REPORT

January to June 2012



 **VITA 34**

# CONSOLIDATED KEY FIGURES

		01/04- 06/30/2012	01/04- 06/30/2011	01/01- 06/30/2012	01/01- 06/30/2011
<b>STEM CELL PREPARATIONS</b>					
Umbilical cord blood storages	Number	1,986	2,287	3,718	4,477
<b>PROFIT / LOSS</b>					
Revenues	EUR k	3,478	4,058	6,626	7,772
Gross profit	EUR k	2,155	2,379	4,081	4,571
EBITDA	EUR k	54	25	27	-160
EBIT	EUR k	-189	-218	-476	-628
Period result	EUR k	-165	-151	-375	-449
				<b>06/30/2012</b>	<b>06/30/2011</b>
<b>BALANCE SHEET / CASH FLOW</b>					
Total assets	EUR k			34,352	33,556
Equity	EUR k			19,634	18,369
Equity ratio	%			57.2	54.7
Liquid funds	EUR k			2,635	2,254
Capital expenditures*	EUR k	349	216	517	463
Depreciation*	EUR k	243	243	503	468
Cash flow from operating activities	EUR k	480	409	697	-2,031
<b>EMPLOYEES</b>					
Employees (as of June 30)	Number			115	136
Personnel expenditures	EUR k			2,580	2,981

\* Information for tangible and intangible assets

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# LETTER TO THE SHAREHOLDERS

Dear Shareholders,

the first half-year 2012 was challenging for Vita 34 AG and marked by measures to improve profitability and open up new markets. First, however, we would like to address the changes in management.

The Management Board added an additional member in June 2012, Dr. André Gerth. Since then, he has been responsible for operative business and foreign activities. The Supervisory Board then appointed Dr. André Gerth as Chairman of the Management Board of Vita 34 AG on July 16, 2012. As the founder and Managing Director of Bio-Planta GmbH, he has had many years of experience in the field of Biotechnology and in project management. We expect a great deal of positive impetus for our business, primarily thanks to his excellent international network of contacts.

From a commercial perspective we look back on a first half-year that was not yet satisfactory. With regard to the group result, we were not yet successful in returning to profitability. From January to June 2012 we posted revenues of some EUR 6.6 million, following EUR 7.8 million in the prior year's period. Storages of umbilical cord blood preparations numbered 3,718 in the wake of 4,477 storages in the first half-year of 2011. The group result of EUR -0.4 million was at the level of the prior year's period. Nonetheless, we were successful in improving our operating profit in the first six months of 2012 thanks to cost reductions. We achieved a turn-around with regard to our central indicator EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) and earned a profit of EUR 27k. A negative result of EUR -160k had resulted in the prior year's period. We were also able to slightly improve EBIT (Earnings Before Interest and Taxes) as compared to the prior year. In the first half-year of 2012, however, it was still in the negative range at EUR -0.48 million. A year before it had been EUR -0.63 million.

We are, therefore, facing great challenges, since we must compensate for the difficult situation in Spain with extremely high unemployment, as well as diminishing storage figures in Germany. We will take advantage of market opportunities and open up attractive new markets. We have already done a great deal in this direction.

For example, we recently were successful in expanding our activities outside of Europe. In Mexico, we are now working together with the CryoLifeCells company. We are supporting this company in Mexico in the establishment of its own umbilical cord blood bank. Up to now, the umbilical cord blood has been stored with an external partner. Apart from our expertise and our patented decentralized collection system, that no longer requires clean rooms for the preparation, support and training of employees by Vita 34 is part of the cooperation agreement. We intend to expand our international activities incrementally in the future, and are already in negotiations with potential partners, among others in Chile, China and Vietnam.

In June 2012 we continued our expansion into southeastern Europe and entered into cooperation in Serbia. Our partner there is Bio Save doo with headquarters directly in Belgrade. The cooperation provides for our Serbian partner to handle marketing and sales, and for the storage of the umbilical cord blood to take place with us in Leipzig. The inspection of the clinics required for the import permit has already been successfully conducted in Serbia. We are pleased that there are already the first contracts for the collection of umbilical cord blood in Serbia. This cooperation is an additional step towards improving profitability, since we expect a positive contribution to profits from the Serbian business. With a storage ratio of 3 to 4 percent of the 70,000 births annually, i.e. greater than in Germany where it is only 2 percent, and a manageable competitive situation, Serbia is an attractive market for us.



We are also expanding our business in Germany and are close to completely acquiring the first German company, BioPlanta GmbH. A corresponding contribution agreement has already been entered into. The acquisition of the BioPlanta shares that are owned by Dr. André Gerth is being done by means of a capital increase from authorized capital in exchange for a contribution in kind. To achieve this, we will issue 380,000 registered shares in Vita 34, which will be subscribed to exclusively by Dr. Gerth. Subsequently, his shares in Vita 34 will amount to 12.55 percent.

BioPlanta also has its headquarters in Leipzig and is specialized in the production of plant agents for the environmental and pharmaceutical industries. The company was founded 20 years ago and has been operating profitably for years. BioPlanta is active in Europe, Latin America, Asia and South Africa. We intend to use this international experience and the company's broad network for the expansion of our international business.

In the first half-year of 2012, umbilical cord blood preparations stored with us were used to treat two additional ill children. One of the children, with Type 1 diabetes, received its own umbilical cord blood within the context of a European study in cooperation with the Technical University Munich. The second transplant took place in the case of a child with brain damage. Ten children with this disorder have already been treated with umbilical cord blood stored

at Vita 34 since 2004. Altogether, umbilical cord blood stored with us has been used 21 times. We are very proud of this fact, since it is still unique amongst other private umbilical cord blood banks in Europe.

Thanks to the already initiated measures for improving profitability, we expect our operating result (EBITDA) to improve in the current fiscal year 2012, as well as in 2013. It is an ambitious goal for 2012, however, we have laid the foundation for a positive development of business. Additional cost reductions, careful international expansion, and the takeover of BioPlanta are the main pillars of support here. Due to the tense economic situation in Spain and the decreasing storage figures described in Germany, we expect 2012 revenues to be lower than those of 2011.

We would like to thank all of our shareholders for their trust in Vita 34. We are convinced of this company's potential, and will also use it in the future for expanding the market position of Vita 34 and for positively developing business. Achieving sustainable profitability is our top priority in this regard. We would be pleased if you were to continue to accompany us. We would also like to thank our business partners and our employees for their outstanding cooperation.

Leipzig, July 19, 2012  
Management Board of Vita 34 AG

Dr. André Gerth  
CEO

Jörg Ulbrich

Dr. med. Eberhard F. Lampeter

# GROUP INTERIM REPORT

01/01 to 06/30/2012

## 1 SUMMARY

Vita 34 is the oldest private umbilical cord blood bank in Europe and market leader in the German-speaking countries. The company offers the collection, preparation and storage of umbilical cord blood. The number of storages has now risen to nearly 90,000 preparations.

Vita 34 has an extensive range of permits, in order to cover the entire spectrum of potential applications for umbilical cord blood. Among others, this includes a manufacturing authorization for umbilical cord blood as autologous and allogenic blood, a permit from the Paul Ehrlich Institute for use in treating blood diseases, as well as a permit for the use of umbilical cord blood within the scope of the first European Type 1 diabetes study. Vita 34 is the only private umbilical cord blood bank that has a permit from the Paul Ehrlich Institute for the production and distribution of allogenic preparations, to which VitaPlusSpende [VitaPlus-Donation] belongs. Vita 34 has offered the possibility of providing umbilical cord blood stem cells for the treatment of a sibling who was ill at the time of the donor's birth since 2002 already. The "Sibling Initiative" program has already led to three applications of umbilical cord blood stored at Vita 34.

Vita 34 is the only private umbilical cord blood bank in Germany that has made stored umbilical cord blood available for the treatment of severe diseases. The number of transplants since 2004 has now risen to 21. In the first half-year of 2012, two children had their own umbilical cord blood used, which had been stored at Vita 34.

Umbilical cord blood preparations stored at Vita 34 have been used to date within the scope of clinical trials, individual cases and studies involving diseases, for example, Type 1 diabetes, brain damage, cancers, and beta thalassemia, a significant disorder affecting the formation of the red blood colorant hemoglobin.

In order to expand the range of applications for umbilical cord blood stem cells, Vita 34 has been supporting research projects for years, and has been cooperating with renowned research institutes and universities in this area. The focal points of research are the development of new, stem cell based therapies for Type 1 diabetes, the ageing, multiplication and re-programming of stem cells, as well as brain damage and coronary diseases.

Vita 34 has also opened up attractive international markets, and is represented by subsidiaries in Spain (Secuvita, S.L.), in Austria (Vita 34 Gesellschaft für Zelltransplantate mbH), and in Slovakia by Vita 34 Slovakia, s.r.o. Vita 34 has cooperation partners in Italy, Slovenia, Serbia and Mexico.

## 2 REVENUE AND PROFIT SITUATION

The number of stored stem cell preparations in Q2 2012 was 1,986 and, therefore, 14.7 percent higher than Q1, which had 1,732 storages. In the prior year's quarter 2,287 preparations were stored. In all, in the first half year of 2012 the number of storages declined from 4,477 in the corresponding period the previous year to 3,178. The storages for our Italian Partner Sorgente, S.r.L. showed a positive development.

Revenues, which trail storages by one to two months, were EUR 3.5 million in Q2, below the EUR 4.1 million of the prior year's quarter. In the first half-year of 2012 they were EUR 6.6 million as compared to EUR 7.8 million in the prior year's period.

The gross profit from sales in Q2 2012 of EUR 2.2 million represented 62.0 percent of revenues, as compared with 58.6 percent in the same period a year before. In the first half-year of 2012, the gross profit of EUR 4.1 million represented EUR 61.6 percent of revenues, in the wake of 58.8 percent the prior year.



The marketing and sales expenditures dropped in Q2 slightly to EUR 1.6 million following EUR 1.8 million the prior year. In all, expenditures for marketing and sales decreased from EUR 3.7 million in the prior year's period to EUR 3.2 million in the first half-year of 2012.

In addition, administrative costs were lower in Q2 2012 at EUR 0.7 million following EUR 0.8 million the year before. In the first half-year they dropped from EUR 1.6 million to EUR 1.3 million. Increases in efficiencies in sales and planned savings in administration reduced the costs in Q2 2012.

Earnings before interest, taxes, depreciation and amortization, EBITDA, were EUR 54k in Q2, following EUR 25k the prior year. As compared with the EBITDA of EUR -160k in the first half-year of 2011, the EBITDA increased to EUR 27k in the reporting period. In Q2 the financial result was EUR -42k, and in the first half-year it was EUR -35k. As compared with the prior year's periods, the financial result remained nearly unchanged.

According to IFRS there was a tax credit of EUR 66k in Q2 2012. In the corresponding period a year before, the tax credit was EUR 116k. In the first half-year of 2012 there was a tax credit of EUR 136k, following EUR 217k the prior year. In all, the period result in Q2 2012 was EUR -0.2 million was at the prior year's level. The period result, both in the first half-year 2012 and in the prior year's period was EUR -0.4 million.

### 3 FINANCIAL AND ASSET SITUATION

#### Financial Situation

Cash and cash equivalents decreased by EUR 0.4 million, from EUR 3.0 at year's end 2011 to EUR 2.6 million at the end of the first half-year 2012. As compared with Q1 2012 cash and cash equivalents in the reporting period increased by EUR 0.1 million.

Following a cash flow from operating activities of EUR 0.2 million in Q1 2011, in Q2 2012 EUR 0.5 million was earned. In the first half year of 2012 the operating cash flow totaled EUR 0.7 million, following EUR -2.0 million the prior year. The reduction in liabilities in the prior year's period had a negative effect of EUR 2.4 million.

The cash flow from investing activities in the first half-year 2012 was EUR -0.5 million due to investments in plant and equipment and intangible assets. The cash flow from financing activities was negative in the first half year of 2012 at EUR -0.6 million.

#### Assets

Unchanged, Vita 34 AG has a solid balance sheet structure. As of June 30, 2012, the equity ratio was some 57 percent and hardly unchanged as compared to the status at the end of 2011 when it was 58 percent. The balance sheet total as of June 30 of EUR 34.4 million was at the 2011 year's end level.

On the assets side goodwill of EUR 13.4 million remained, unchanged, the largest item. It is comprised of the goodwill of the subsidiaries Vita 34 AG and Secuvita, S.L. together. The non-current assets of EUR 13.7 million remained unchanged as compared with the end of 2011. As of June 30, 2012 the current assets without cash and cash equivalents were EUR 4.6 million, as at year's end 2011. Cash and cash equivalents decreased from EUR 3.0 million at year's end 2011 to EUR 2.6 million in the first half-year 2012.

On the liabilities side of the balance sheet, equity as of June 30, 2011 was EUR 19.6 million and, thus, slightly under the 2011 year end level of EUR 20.0 million. The registered capital remained constant at EUR 2.6 million. The non-current liabilities without deferred income decreased in the first half-year 2012 to EUR 2.6 million following EUR 3.8 million at the end of 2011, since the non-current interest-bearing loans of EUR 1.8 million at year's end 2011 decreased to EUR 0.7 million as of June 30, 2012.

# Vita 34 AG takes over BioPlanta GmbH - prerequisite for further developing into a technology company

Deferred income increased in the first half-year of 2012 from EUR 8.0 million at year's end 2011 to EUR 8.8 million. This is where the storage fees for the stem cell preparations from umbilical cord blood paid by customers in advance are contained. The storage fees are dissolved linearly over the prepaid term.

The current liabilities without deferred income increased in the first half-year from EUR 2.9 million at the end of 2011 to EUR 3.3 million as of June 30, 2012. Here, interest-bearing loans increased from EUR 1.4 million at the end to 2011 to EUR 1.8 million at the end of June 2012.

## 4 INVESTMENTS

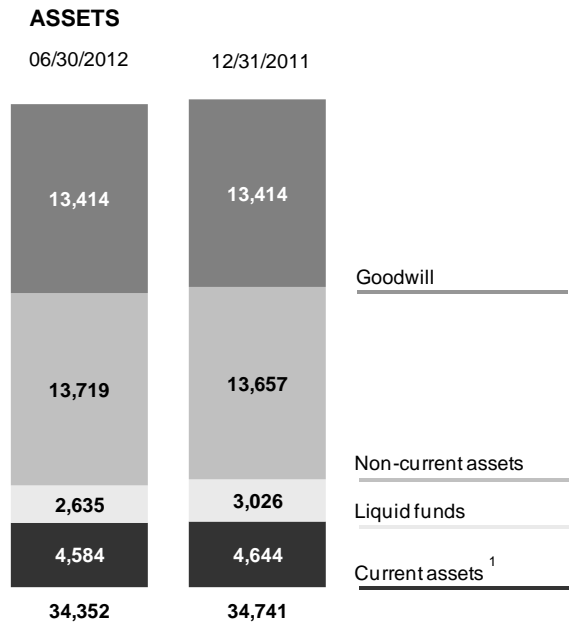
Vita 34 made investments in plant and equipment and intangible assets in the amount of EUR 0.3 million in Q2 2012. This investment was slightly above the amount as that of the same period of the prior year. In the first six months of 2011 the investments totaled EUR 0.5 million

as in the same period of the prior year. The investments were mainly in pre-payments for process software 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.

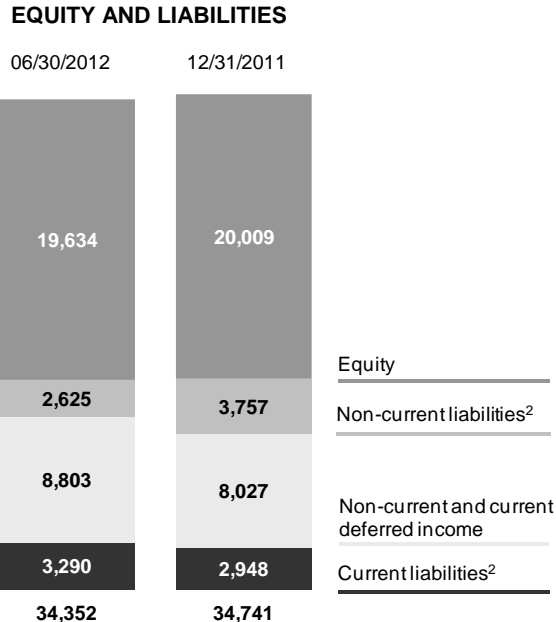
## 5 EMPLOYEES

On June 30, 2012 Vita 34 employed 115 persons in a full or part-time capacity, as well as five trainees, following 117 employees at year's end 2011.

As of June 30, 2012, some 39 percent of the Vita 34 employees were active in marketing and sales. The by far greatest share remained unchanged, the Marketing and Sales Department with 45 employees. Vita 34 has 41 employees in the Production and Quality Assurance Department, and 29 employees in the Commercial Department.

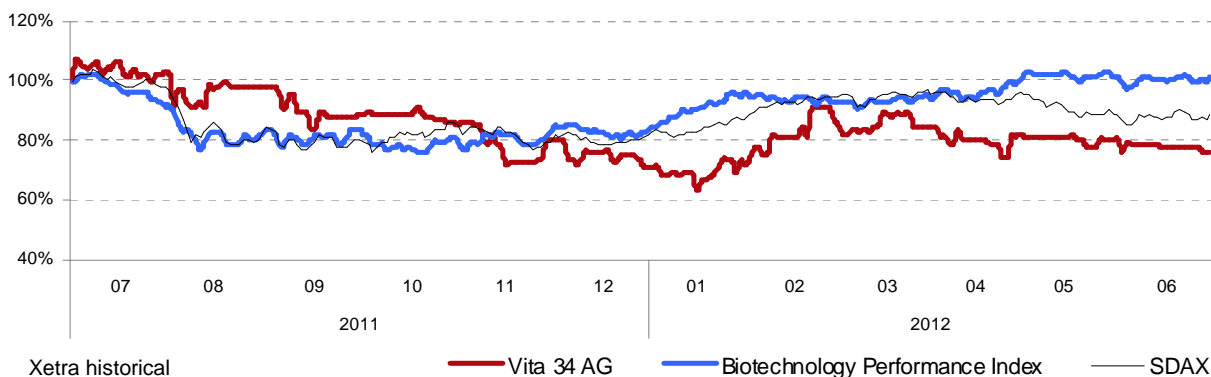


<sup>1</sup> excluding liquid funds



<sup>2</sup> excluding deferred income





## 6 VITA 34 ON THE CAPITAL MARKET

The German stock indices rose during the first half-year 2012. The DAX, in which the 30 largest German stocks are represented, reached 6,416.28 points at the end of June 2012, a plus of roughly 9 percent over its 2011 year-end closing. However, in Q2 2012 the DAX relinquished part of the gains it had achieved in Q1 2012. In the first three months of 2012 the lead index had risen some 18 percent.

The second-line stock index MDAX ended June 2012 at 10,343.71 points, more than 16 percent higher than the level at the end of December 2011. If Q2 is viewed separately, there was a decline in this index, as well, when compared with Q1 2012. The situation is different with regard to the comparative indices relevant to Vita 34. These gained significantly as of the end of June 2012, both as compared with year's end 2011, as well as the Q1 2012. The DAX Biotechnology Performance Index subsector improved by some 21 percent in the first half-year, and the DAX Pharma & Healthcare Performance Index sector grew by some 13 percent. As compared with the level at the end of Q1, these indices both showed gains of approximately 6 percent each.

The Vita 34 share price was also able to recover in the first half-year. At the end of June 2012 the Vita shares were trading at EUR 3.00 on the Xetra electronic trading system, and were thus 7.2 percent higher than the EUR 2.799 level at the end of December 2011. As compared with the end of Q1, however, they posted an 11 percent decline. The stock reached its high of EUR 3.59 on the Xetra in the first half-year 2012 on February 22, 2012, and its low of EUR 2.36 on January 16, 2012. In the period between January and June 2012 an average of 2,250 Vita shares were traded per day on all exchanges. Xetra accounted for 65 percent of this.

There was a change in the shareholder structure in the reporting period. The investment company Elvaston Partners GmbH acquired all of the shares held by American

insurance company Independence Blue Cross in March 2012. At 20.7 percent Elvaston is, thus, the new large shareholder in Vita 34 AG. Elvaston is specialized in investments in the IT and Healthcare industries, with a focus on the German-speaking countries. The founders and the management of Vita 34 AG with more than 5 percent of shares held 9.1 percent of the Vita shares at the end of the reporting period. Landesbank Baden-Württemberg held 15.8 percent via its subsidiaries CFH Beteiligungsgesellschaft mbH (9.15 percent) and SBF Sächsische Beteiligungsfonds GmbH (6.68 percent). The free-float was 54.4 percent.

ICF Kursmakler AG continued to act as Designated Sponsor. First Berlin Equity Research GmbH also continuously observed and analyzed VITA 34 AG and published its research during the reporting period. In the latest update from First Berlin date June 18, 2012, the analysts again gave the Vita shares a buy recommendation and quoted a target price of EUR 5.70 per share. This buy recommendation was reinforced among other things due to the planned consolidation of BioPlanta GmbH in the second half-year 2012, according to the analysts. The synergies in administration, research and development, an expansion of the value chain and the opening of additional new markets via the BioPlanta takeover were emphasized.

The Management Board of Vita 34 continued to seek out and intensify contact with journalists and investors in the first half-year of 2012. Vita 34 presented itself at the capital market conference in Frankfurt Egelsbach for the first time in April 2012. Numerous discussions with investors and representatives of the media were also conducted at the MKK Munich Capital Market Conference in May 2012. The Management Board explained the business model and the potential of the company to numerous business journalists from well-known media within the context of a road show in Frankfurt in March 2012. This will be continued in the second half-year of 2012.

# Expansion of foreign business - BioSave doo, our new cooperation partner in Serbia

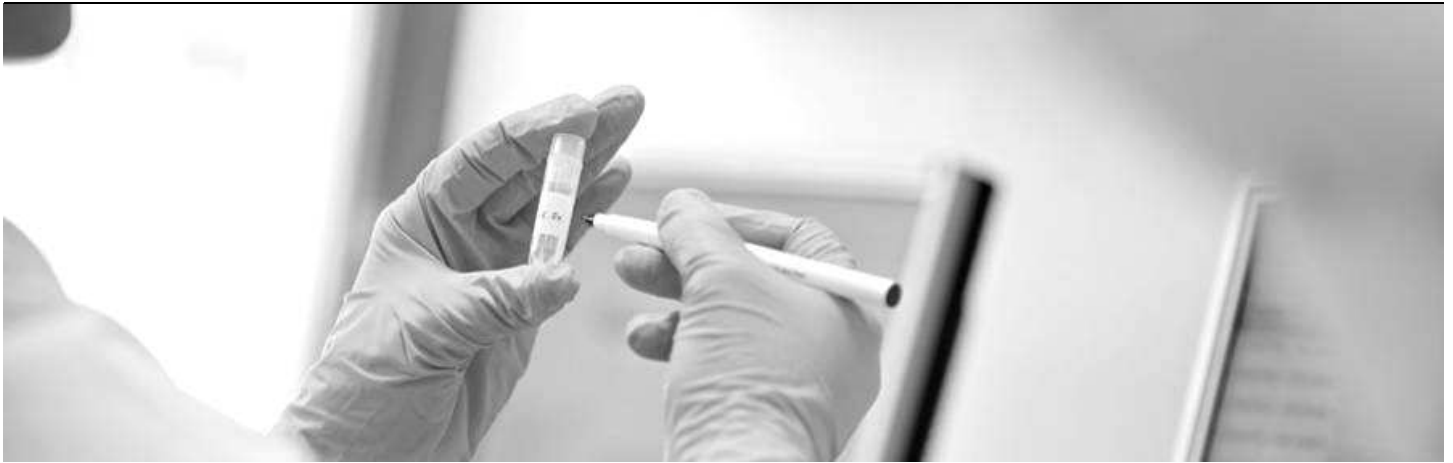
Additional information on the stock and the business performance of Vita 34 AG can be found on the Internet at [www.vita34group.de](http://www.vita34group.de). In addition, shareholders are continuously informed via shareholder letters, as was the case in June 2012.

## 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 2011 Annual Report at Vita 34 in Q2 2012.

### 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, DAXsubsector Biotechnology, DAXsector Pharma & Healthcare
Opening / High / Low / Closing price Q2 2012 (Xetra)	2.79 EUR / 3.59 EUR / 2.36 EUR / 3.00 EUR
Number of shares issued	2,646,500
Freefloat as of 06/30/2012	54.4%
Market capitalization as of 06/30/2012	EUR 7.94 million
Designated Sponsor	ICF Kursmakler AG



## 8 OUTLOOK

Vita 34 AG is confident that it will be able to moderately increase its operating result (EBITDA) in fiscal years 2012 and 2013. Due to decreased storage figures in the core markets of Spain and Germany, this will be an ambitious goal for 2012. Contrary to the prognosis at year's end 2011, according to current expectations the 2012 revenues will be lower than the EUR 16 million revenues in fiscal year 2011.

Decisive measures have already been initiated to ensure a positive business trend and improvement in profitability in the future. Apart from cost reduction, business abroad has been successfully expanded. A positive contribution to profit is expected in the medium term from the cooperative agreement entered into in Serbia in the first half-year of 2012. In addition, a cooperative effort in Mexico, as well as the takeover of BioPlanta GmbH, should have a positive effect on the business of Vita 34. BioPlanta has been operating profitably for years and possesses a broad network of contacts, even outside of Europe.

Vita 34 AG plans on further expanding international activities in the future. This, however, will be done incrementally. For example, discussions have already been conducted with potential partners in Chile, China and Vietnam.

Business in Italy with an increasing number of storages should continue to develop in a positive manner. Storages nearly doubled in 2011. A positive trend should continue in fiscal year 2012. The German and Spanish markets, which are important for Vita 34, should, however, remain challenging. Above all, a continuing difficult economic situation is expected in Spain.

In order to increase the number of medical applications and, thus, the acceptance of privately stored umbilical cord blood, we will continue to support research with stem cells on one hand, and on the other expand the freely-accessible [www.stemcellsearch.org](http://www.stemcellsearch.org) online register for searching for suitable donated preparations at Vita 34. Cooperation with platforms and registries are sought out, so that the Vita-PlusSpende [VitaPlusDonation] preparations are also available via these means for worldwide searches.

Vita 34 will be able to move into new leased space in the expansion building of Bio City in Leipzig, known as the BioCube, earlier than planned, most likely within the course of 2012. This will triple the storage capacity, thus allowing the storage of up to 350,000 umbilical cord blood preparations.

Leipzig, July 19, 2012  
Management Board of Vita 34 AG

Dr. André Gerth  
CEO

Jörg Ulbrich

Dr. med. Eberhard F. Lampeter



# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

06/30/2012

## 1 CONDENSED CONSOLIDATED STATEMENT OF INCOME

EUR K	NOTE	01/04- 06/30/2012	01/04- 06/30/2011	01/01/- 06/30/2012	01/01/- 06/30/2011
Revenue		3,478	4,058	6,626	7,772
Cost of sales		-1,323	-1,679	-2,545	-3,201
<b>Gross profit on sales</b>		<b>2,155</b>	<b>2,379</b>	<b>4,081</b>	<b>4,571</b>
Other operating income		148	17	228	227
Selling expenses		-1,622	-1,790	-3,197	-3,691
Administrative expenses		-704	-800	-1,342	-1,560
Other operating expenses		-166	-24	-246	-175
<b>Net operating profit/loss</b>		<b>-189</b>	<b>-218</b>	<b>-476</b>	<b>-628</b>
Finance revenue		4	7	65	73
Finance costs		-46	-56	-100	-111
<b>Earnings before taxes</b>		<b>-231</b>	<b>-267</b>	<b>-511</b>	<b>-666</b>
Income tax income/expense	5	66	116	136	217
<b>Period result / Comprehensive income after tax</b>		<b>-165</b>	<b>-151</b>	<b>-375</b>	<b>-449</b>
Period result / Comprehensive income after tax attributable to					
Owners of the parent		-158	-137	-359	-425
Non-controlling interests		-7	-14	-16	-24
Earnings per share, basic / diluted (EUR) Attributable to ordinary equity holders of the parent				-0.14	-0.16

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

EUR K	NOTE	06/30/2012	12/31/2011
<b>Non-current assets</b>			
Goodwill		13,414	13,414
Intangible assets		6,457	6,660
Property, plant and equipment		4,354	4,162
Other financial assets		77	80
Deferred tax assets		874	738
Non-current trade receivables		1,607	1,666
Restricted cash		350	351
		<b>27,133</b>	<b>27,071</b>
<b>Current assets</b>			
Inventories		673	546
Trade receivables		2,496	2,748
Other receivables and assets		1,415	1,350
Cash and cash equivalents	4	2,635	3,026
		<b>7,219</b>	<b>7,670</b>
		<b>34,352</b>	<b>34,741</b>

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

EUR K	NOTE	06/30/2012	12/31/2011
<b>Equity</b>			
Issued capital		2,647	2,647
Capital reserves		23,236	23,236
Revenue reserves		-6,065	-5,706
Treasury shares		-436	-436
Non-controlling interests		252	268
		<b>19,634</b>	<b>20,009</b>
<b>Non-current liabilities and deferred income</b>			
Interest-bearing loans		719	1,810
Silent partners' interests		940	940
Deferred grants		966	1,007
Deferred income		7,527	6,788
		<b>10,152</b>	<b>10,545</b>
<b>Current liabilities and deferred income</b>			
Trade payables		621	600
Provisions		21	17
Income tax liabilities		133	210
Interest-bearing loans		1,774	1,374
Deferred grants		81	81
Other liabilities		660	666
Deferred income		1,276	1,239
		<b>4,566</b>	<b>4,187</b>
		<b>34,352</b>	<b>34,741</b>

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

EUR K	EQUITY ATTRIBUTABLE TO THE		
	ISSUED CAPITAL	CAPITAL RESERVES	REVENUE RESERVES
<b>Balance as of January 1, 2011</b>	<b>2,647</b>	<b>23,236</b>	<b>-6,968</b>
Period result			-425
<b>Balance as of June 30, 2011</b>	<b>2,647</b>	<b>23,236</b>	<b>-7,393</b>
<b>Balance as of January 1, 2012</b>	<b>2,647</b>	<b>23,236</b>	<b>-5,706</b>
Period result			-359
<b>Balance as of June 30, 2012</b>	<b>2,647</b>	<b>23,236</b>	<b>-6,065</b>



<b>OWNERS OF THE PARENT</b>				
	<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>TREASURY SHARES AT ACQUISITIONS COSTS</b>	<b>NON-CONTROLLING INTERESTS</b>	<b>TOTAL EQUITY</b>
	18,915	-436	339	18,818
	-425		-24	-449
	18,490	-436	315	18,369
	20,177	-436	268	20,009
	-359		-16	-375
	19,818	-436	252	19,634

#### 4 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR K	NOTE	01/01/ 06/30/2012	01/01/ 06/30/2011
<b>Cashflow aus betrieblicher Tätigkeit</b>			
Earnings before taxes		-511	-666
Adjusted for:			
Amortization and depreciation		503	468
Profit / loss from disposal of non-current assets		17	9
Other non-cash expenses and income		8	-71
Finance revenues		-65	-73
Finance expenses		100	111
Cash flow from ordinary operations:			
+/- Trade receivables and other receivables and assets		152	268
+/- Inventories		-127	58
+/- Trade payables and other liabilities		15	-2,371
+/- Provisions		4	-23
+/- Deferred income		776	370
Interest paid		-98	-111
Income taxes paid		-77	0
<b>Cash flow from operating activities</b>		<b>697</b>	<b>-2,031</b>
<b>Cash flow from investing activities</b>			
Purchase of intangible assets		-144	-181
Purchase of property, plant and equipment		-373	-282
Proceeds from sale of property, plant and equipment		8	1
Proceeds from sale of short-term investments		0	1,500
Interest received		14	73
<b>Cash flow from investing activities</b>		<b>-495</b>	<b>1,111</b>

EUR K	NOTE	01/01/ 06/30/2012	01/01/ 06/30/2011
<b>Cash flow from financing activities</b>			
Changes in restricted cash		1	62
Cash received from investment grants		97	0
Changes in loans		-691	-377
<b>Cash flow from financing activities</b>		<b>-593</b>	<b>-315</b>
Net change in cash and cash equivalents		-391	-1,235
Cash and cash equivalents at the beginning of the reporting period		3,026	3,489
<b>Cash and cash equivalents at the end of the reporting period (Liquid funds)</b>	<b>4</b>	<b>2,635</b>	<b>2,254</b>

# NOTES ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1 COMPANY INFORMATION

The parent company Vita 34 AG (the "Company") with headquarters in Leipzig (Germany), Deutscher Platz 5 a, entered into the commercial register of the District Court Leipzig under HRB 20339, is a company whose purpose is the collection, processing and storage of umbilical cord blood, as well as the development of cell therapies. Its subsidiaries (together with the Company referred to as the "Group") also operate in the field of cord blood storage.

The unaudited, condensed, consolidated interim financial statements for the period from January 1 until June 30, 2012 were approved for publication by the Management Board on July 19, 2012.

## 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 June 30, 2012 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, 2011.

### 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, 2011.

The group first began using the amendment to IFRS 7: "Disclosures - Transfers of Financial Assets" for the first time as of January 1, 2012. The standards and interpretations required to be used for the first time starting January 1, 2012 resulted in no significant effects on the interim financial statements of Vita 34 AG.

## 3 CONSOLIDATION SCOPE

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

- :: Novel Pharma, S. L., 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>06/30/2012</b>	<b>06/30/2011</b>
	<b>EUR K</b>	<b>EUR K</b>
Cash at banks and in hand	2,635	2,444
Current account overdrafts	0	-190
	<b>2,635</b>	<b>2,254</b>

## 5 INCOME TAXES

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

MAJOR COMPONENTS OF THE INCOME TAX INCOME	01/01-06/30/2012	01/01-06/30/2011
CONSOLIDATED STATEMENT OF INCOME	EUR K	EUR K
<b>Current income tax</b>		
Current income tax income/expense	0	0
<b>Deferred income tax</b>		
Origination and reversal of temporary differences	-39	598
On unused tax losses	-97	-815
<b>Income tax income</b>	<b>-136</b>	<b>-217</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 65k and finance costs of EUR -100k) 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 June 30, 2012 and 2011:

PERIOD FROM 01/01 – 06/30/2012	DACH	SPAIN	TOTAL	CONSOLI-DATED	GROUP
	EUR K	EUR K	EUR K	EUR K	EUR K
Income from transactions with external customers	4,956	1,670	6,626	0	6,626
Income from transactions with other segments	321	0	321	-321	0
	<b>5,277</b>	<b>1,670</b>	<b>6,947</b>	<b>-321</b>	<b>6,626</b>
EBIT (operating profit)	-317	-159	-476	0	-476
Depreciation	303	200	503	0	503
Segment assets	33,709	7,930	41,639	-7,287	34,352
Segment liabilities	-11,174	-10,797	-21,971	7,253	-14,718

<b>PERIOD FROM 01/01 – 06/30/2011</b>					
	<b>DACH</b>	<b>SPAIN</b>	<b>TOTAL</b>	<b>CONSOLI- DATED</b>	<b>GROUP</b>
	<b>EUR K</b>	<b>EUR K</b>	<b>EUR K</b>	<b>EUR K</b>	<b>EUR K</b>
Income from transactions with external customers	5,176	2,596	7,772	0	7,772
Income from transactions with other segments	751	0	751	-751	0
	<b>5,927</b>	<b>2,596</b>	<b>8,523</b>	<b>-751</b>	<b>7,772</b>
EBIT (operating profit)	-291	-337	-628	0	-628
Depreciation	276	192	468	0	468
Segment assets	33,335	10,255	43,590	-10,034	33,556
Segment liabilities	-13,742	-11,479	-25,221	10,034	-15,187

## 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 June 30, 2012 and 2011:

<b>EXPENSES TO RELATED PARTIES</b>	<b>TOTAL AMOUNT OF TRANSACTIONS</b>	
<b>PERIOD FROM 01/01 – 06/30/</b>	<b>2012</b>	<b>2011</b>
	<b>EUR K</b>	<b>EUR K</b>
There is an agreement with a member of the management board concerning rights of use and sale relating to a patent application and two patents. The management board has surrendered the patents concerned and patent application permanently for use by Vita 34 AG.		
- Up to now no compensation has been paid for the surrender for use.		
<b>Compensation of key management personnel of the Group:</b>		
Short-term benefits:		
- Remuneration of the Supervisory Board	13	9
- Management Board salaries	182	165

## FINANCIAL CALENDAR 2012

March 21, 2012	Publication of Annual Report
April, 24 2012	Capital Market Conference Frankfurt-Egelsbach
April 26, 2012	Publication of Q2 Report
May 24, 2012	Munich Capital Market Conference
June 2012	Publication of Shareholders Letter [Aktionärsbrief]
July 19, 2012	Annual General Meeting
July 19, 2012	Publication of Q2 Report
October 25, 2012	Publication of Q3 Report
November 2012	German Equity Forum
December 2012	Publication of Shareholders Letter [Aktionärsbrief]

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### Copy and Editing

Vita 34 AG, Leipzig  
edicto GmbH, Frankfurt a. M.

### Produktion

The production of the paper is certified in accordance with DIN ISO 9001 und 14001. The cellulose and paper plants of the manufacturer are certified in accordance with FSC Chain of Custody. The wood originated exclusively from controlled and sustainably managed forests.

### Forward-looking statements

This Management Report contains statements and forecasts pertaining to the future development of Vita 34 AG. These forecasts are estimates we made based on information that was available at the current time. Actual developments and currently expected results may vary in the event that assumptions that form the basis for the forecasts do not take place, or risks actually occur.

This Interim Report was published in German and English on July 19, 2012 and is available for download on our internet site.

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

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