

INTERIM REPORT

January to September 2008



CONSOLIDATED KEY FIGURES

		07/01 – 09/30/2008	07/01 – 09/30/2007	01/01 – 09/30/2008	01/01 – 09/30/2007
STEM CELL PREPARATIONS					
Umbilical cord blood storages	Number	2,976	2,972	8,282	7,968
PROFIT / LOSS					
Revenues	EUR k	4,109	4,080	11,296	11,513
Gross profit	EUR k	2,798	3,017	7,532	8,133
EBIT	EUR k	-580	71	-1,709	690
Period result	EUR k	-474	-232	-1,139	86
				09/30/2008	09/30/2007
BALANCE SHEET / CASH FLOW					
Total assets	EUR k			30,365	33,370
Equity	EUR k			18,639	21,115
Equity ratio	%			61.4	63.3
Liquid funds	EUR k			7,187	12,352
Capital expenditures*	EUR k	274	187	673	605
Depreciation*	EUR k	107	89	316	258
Cash flow from operating activities	EUR k	-923	553	-3,172	-399
EMPLOYEES					
Employees (as of September 30)	Number			119	97
Personnel expenditures	EUR k			4,392	5,004

*Information for tangible and intangible assets

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LETTER TO THE SHAREHOLDERS

Dear Shareholders,

VITA 34 has been listed on the stock exchange for more than 18 months. We have surely chosen one of the most turbulent periods in the last years and decades for our capital market presence. Accordingly, our share price has shown an unsatisfactory development. Our last statements regarding the overall course of the year also contributed to this. Of course, we affirmed our profit prognosis in the half-year report, however, the modification of our revenue prognosis was not received well by the capital market and placed our share price under pressure.

A large portion of the share price decline, however, can be attributed to the general weakness of the markets, which affected equities in particular. In this difficult situation, in which the stock market practically is tending in only one direction, we are being asked and are naturally asking ourselves what we can do to stabilize the share price. Again and again we have found only one answer: to develop our operative business as well as possible, simultaneously be reserved with regard to costs, and to be careful with our liquidity. We are firmly convinced that the concentration on our own viable business is the best medicine, if the stock markets and the economy are affected.

The perspectives offered by stem cells from umbilical cord blood are becoming more extensive and tangible with each success in research. Accordingly, the fact that we have received the approval from the Paul Ehrlich Institute in August 2008 to have our umbilical cord blood transplants

used in a clinical study dealing with diabetes 1 in children, represents an additional milestone for VITA 34. Here, the reliability and effectiveness of a transfusion of autologous umbilical cord blood in newly occurring diabetes is to be shown. Similar studies in the USA have shown very good results.

Under economic aspects we are proud to have reached a new record in our more than 10-year company history in the third quarter of 2008 with 2,976 stored stem cell preparations. This top number goes hand in hand with a quarterly revenue of EUR 4.1 million, which is also a record. As planned, however, there was a loss of EUR –0.5 million.

The course of the quarter corresponded with our expectations, however, we are cautious despite the very decent development, since it appears that the economic situation in Germany will become more uncertain in the coming quarters, such that expenditures for provisionary services, such as the storage of umbilical cord blood represents, will be reviewed more critically than before by potential customers. Nonetheless, we expect that the last communicated revenue target of EUR 15.0 to 16.0 million will be attained for the year as a whole. The year 2008 will end, as announced, with a loss.

Considering the uncertain economic situation and the extreme nervousness on the markets, we have once again tightened our cost projections for 2009, in order



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

to ensure the announced break-even in the year 2009 and to preserve our cash. In particular, with regard to personnel expenditures, we have already begun to take a more conservative course in our activities. We have tightened up the regional set-up of our newly established field force, so that we can make personnel deployment more efficient and still maintain the desired contacts with multipliers such as gynecologists, midwives and parents' groups. The flexibility of our cost structures characterizes VITA 34 and should make our company attractive for investors with regard to risk/return considerations. Of course, this is augmented by our outstanding market position as the leading private umbilical cord blood bank in the German speaking countries.

VITA 34 expanded this position in the past quarter. In particular, we were able to strongly increase the number of cooperative arrangements with public health insurance funds. There are corresponding agreements now with 22 health insurance funds. They document that an increasing number of experts from the public health sector approve of the storage of umbilical cord blood for preserving the stem cell it contains. This is an investment in the future for our company. Our first cooperation with a health insurance fund, the market leader amongst private funds, Debeka, has shown that the economic effects of such a cooperation in form of increasing numbers of storages and the associated revenues take hold after approx. 2 years.

The advantages of storing umbilical cord blood for later use of the stem cells it contains for the donor in treating severe diseases and in regenerative medicine are, of course, not only seen in Germany. In Asia, for example, the storage rate is, in part, up to 15 percent of all births and is, thus, seven times higher than in Germany.

In addition, our Spanish partner Secuvita, reports high demand for this provisionary service, especially when it is rendered according to German quality standards. Up to now, some 2,400 stored preparations from Spain this year alone are convincing proof of this. VITA 34 is going to increasingly benefit from the expertise it has built up in more than ten years and from its excellent position on the market on a national and international basis in the coming years. We are convinced that we have by far not exhausted our international potential as the oldest and most experienced umbilical cord blood bank in Europe. In the coming quarters we will work on further optimizing our operative direction. Positive effects on the share price will then set in either the short or long term.

Leipzig, October 13, 2008

Dr. Eberhard Lampeter

Peter Boehnert

GROUP INTERIM REPORT

01/01/ to 09/30/2008

1 SUMMARY

VITA 34 is the leading private umbilical cord blood bank in the German-speaking countries. The VITA 34 market share of storages of umbilical cord blood transplants in Germany is, conservatively estimated, some 66 percent. The company offers expecting parents a provisionary service for their newborn child. The blood taken from the umbilical cord immediately after birth contains valuable stem cells, the youngest adult stem cells there are, which can be used later in the therapy of severe diseases and in regenerative medicine. The stem cells are prepared by VITA 34 in the Glass Laboratory in Leipzig, and they are stored in the gaseous phase of liquid nitrogen at approx. -196 degree Celsius until a possible use.

The VITA 34 services are offered in different variants, which are associated with different pricing models. For example, there has been a variant since the end of Q3 2008, in which the umbilical cord blood storage is combined with a genetic test of the blood for detecting different diseases. VITA 34 is addressing the differing needs of varying customer groups through product differentiation.

Overall, the financial development of VITA 34 is significantly determined by how much the storage of umbilical cord blood storage makes sense to the target group, and the extent that financial resources can be used for this purpose. VITA 34 endeavors to increase the acceptance of the private storage of umbilical cord blood transplants in Germany. Domestically, the rate based on all births is some 2 percent, in Asian states up to 15 percent is achieved. The Management Board of VITA 34 considers the economic

outlook for Germany to be cloudy and is expecting significant restrictions also in private consumption. Nonetheless, VITA 34 is confident that growth can be realized, even in the changing environment, with a service that makes sense.

In addition, VITA 34 will use its expertise as the oldest and most experienced private European umbilical cord bank across borders. Legislation in several European countries has been adapted to EU specifications, thus improving the market entry conditions for the service provider.

2 REVENUE AND PROFIT SITUATION

In the first nine months of 2008, VITA 34 achieved the highest number of **storages of stem cell preparations** in the 10-year history of the company, with 8,282 storages. The record value of prior year's period with 7,968 storages was exceeded by some 4 percent. In the individual consideration of Q3 a new high was also attained with 2,976 storages. The total number of stem cell preparations stored at VITA 34 was more than 54,000 as of September 30, 2008.

Revenues in Q3 also hit a new record of EUR 4.1 million, which was EUR 29.000 more than in prior year's period, which with just under EUR 4.1 million had represented the highest revenue in the history of the company. The growth was achieved, although the mix of revenue changed in that the share of storages for our Spanish partner Secuvita in-



creased further, which are associated with lower revenues and gross margin, yet with a higher net margin. In the 9-month time period revenues were EUR 11.3 million, and were thus lower than in the previous year with EUR 11.5 million.

The **gross profit** from revenues fell, primarily due to the already mentioned change in the revenue mix, by some 8 percent to EUR 7.5 million in the first nine months of 2008. In Q3 2008, EUR 2.8 million were earned following EUR 3.0 million a year before. The other operating income in the 9-month time period rose to EUR 0.6 million, following a prior year's EUR 0.2 million. The increase primarily resulted from subsidies received for research projects and the dissolution of reserves not required. In Q3, the other operating income of EUR 0.1 million was nearly constant as compared with the reference period, which totaled just under EUR 0.1 million.

The expenditures for marketing and sales were increased within the scope of the new strategy. They were EUR 7.6 million in the first nine months, an increase of 40 percent as compared with EUR 5.4 million in the reference period. In Q3, some EUR 2.6 million were spent on marketing and sales, following EUR 2.1 million in the prior year's period. The increase in **marketing and sales expenditures** is the reason that VITA 34 is posting a planned loss, and will also do this for the full year 2008.

The **administrative expenses** were slightly reduced in the reporting period. In the first nine months of 2008 they were EUR 2.0 million, whereas in the prior year's period

they were EUR 2.1 million. A reduction was also achieved in Q3 of some EUR 0.15 million to EUR 0.7 million.

The result before interest and taxes, **EBIT**, after the three quarters totaled EUR –1.7 million. Despite the nearly EUR 2.2 million increased expenditures for marketing and sales, this only represents a decline of some EUR 1 million as compared to the EBIT of EUR 0.7 million in prior year's period. In Q3 2008, EBIT was EUR –0.6 million, as compared with EUR 0.1 million a year before.

The **financial profit/loss** of EUR –0.1 million in the 9-month period was nearly neutral, whereas it had been EUR –1.1 million in prior year's period. However, the prior year's period contains nearly a whole quarter without funds from the IPO. A neutral financial result was achieved in Q3 2008, where there had been a slight surplus of EUR 0.1 million a year before.

The **net profit/loss from continued operations** according to IFRS was EUR –1.4 million in the first nine months of 2008. It was EUR –1.0 million in the same period in 2007. The **discontinued operations** – the activities in the USA – led to a total profit of EUR 0.2 million in the first nine months of 2008, which was realized exclusively in the first two quarters. A year before, a profit of EUR 1.1 million was earned in the discontinued operations. In Q3 2008, no contributions to profit were earned from the discontinued operations since the U.S. activities have been completely ceased. A year before a small loss of EUR –0.1 million was posted.

The **total period profit/loss** in the first nine months of 2008 was EUR –1.1 million, following a profit of EUR 0.1 million in the reference period of 2007 which, however, was the result of the profit in the discontinued operations. In considering Q3 2008, there was a total period loss of EUR –0.5 million, as compared to a loss of EUR –0.2 million a year before

3 FINANCIAL AND ASSET SITUATION

Financial Situation

The **cash** of VITA 34 International AG as of September 30, 2008, was EUR 7.2 million, and was reduced in the first nine months of 2008 by EUR 3.7 million. Some EUR 0.8 million of this was in Q3 2008. The cash as of September 30 was comprised of **cash and cash equivalents** in the amount of EUR 6.3 million and **current financial investments** of some EUR 0.9 million. Cash and cash equivalents in the amount of EUR 1.1 million, which were subject to **access restrictions**, were not counted as cash.

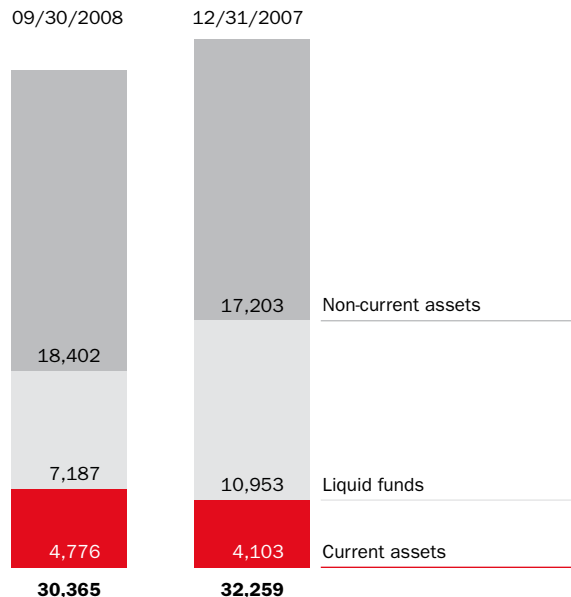
As planned, the company's cash flow in the first nine months of 2008 was negative. Cash and cash equivalents were reduced by EUR 2.7 million in the period.

The **operative cash flow** in the period was EUR –3.2 million. Based on the negative period result the increase in receivables and the reduction in liabilities contributed significantly to this. The cash flow from investment activities was, on the other hand, clearly positive and was some EUR 0.6 million in the first nine months of 2008. The expenditures for investments here were more than offset by income from the sale of financial investments. The **cash flow from financing activities** was slightly negative and was EUR –0.2 million.

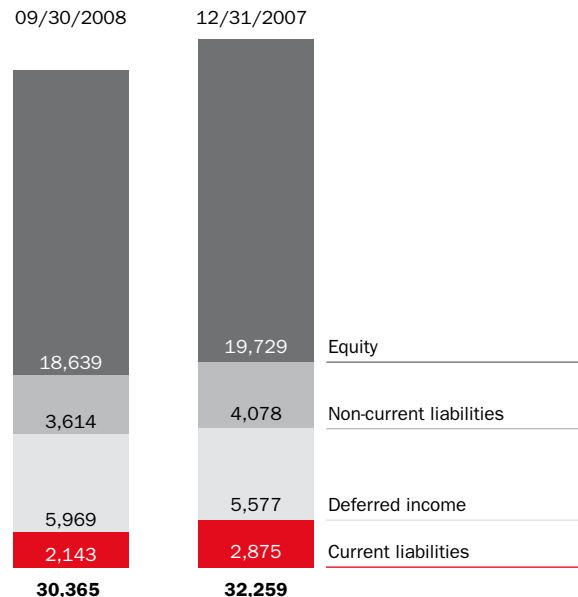
Assets

The **balance sheet sum** of VITA 34 International AG as of September 30, 2008 was EUR 30.4 million. This means a slight reduction of the balance sheet sum as compared with EUR 32.3 million as of December 31, 2007, and a nearly constant value as compared with June 30, 2008.

Assets



Equity and liabilities





The equity ratio remained at the same level as year's end 2007 with 61.4 percent as of September 30, 2008.

Non-current assets of EUR 18.4 million represented the majority of the assets, and they even increased slightly as compare with EUR 17.2 million as of December 31, 2007. The largest item within the non-current assets is the **goodwill** of VITA 34 AG, which remained unchanged and is listed in the VITA 34 International AG balance sheet at EUR 11.9 million. **Plant and equipment** forms the second largest item, with a value of EUR 2.8 million, thus showing a slight increase as compared to the 2007 year's end figure of EUR 2.6 million. The **non-current receivables**, resulting from partial payment models rose from EUR 1.5 million as of year's end 2007 to EUR 2.0 million as of September 30, 2008.

The **current assets** as of September 30, 2008 were EUR 12 million and were reduced by EUR 3.1 million as compared to December 31, 2007. This can be attributed mainly to the reduction of **cash and cash equivalents**, which decreased from EUR 9.0 million to EUR 6.3 million. **Receivables** on the other hand increased from EUR 1.3 million as of December 31, 2007 to EUR 1.9 million.

The liabilities side of the balance sheet is dominated by **equity** in the amount of EUR 18.6 million. Due to the loss in the first nine months of 2008, it decreased as compared to the 2007 year's end value by EUR 1.1 million. The registered capital of EUR 2,646,500 remained unchanged, whereas the capital reserves increased slightly from EUR 23.1 million as of year's end 2007 to EUR 23.2 million.

The **non-current liabilities** were reduced by some EUR 0.2 million in the reporting period. Following EUR 9.2 million as of December 31, 2007, they were now some EUR 9.1 million. The reduction resulted, above all, from the dissolution of provision in the corresponding amount. At EUR 5.5 million **deferred income** was the largest item. This is where the storage fees for the stem cell preparations paid by customers in advance are contained. This deferred income is dissolved linearly over the prepaid term.

The **current liabilities and deferred income** were EUR 2.7 million, after they had been EUR 3.3 million nine months before. In particular, it was possible to decrease the other liabilities item to EUR 1.0 million, down from EUR 1.4 million at the end of 2007.



4 INVESTMENTS

VITA 34 made investments in plant and material and intangible assets in the amount of EUR 0.3 million in Q3 2008. At EUR 0.7 million in the first nine months of 2008 the investments were slightly higher than the prior year's level, in which EUR 0.6 million was posted. Primarily, investments were made in expanding the cryogenic and storage capacities at the company's headquarters in Leipzig. Moreover, in the IT area, VITA 34 acquired and installed additional process software. It is expected that there will be no significant change in investment activity in the coming quarter.

5 EMPLOYEES

As of September 30, 2008, VITA 34 had 119 employees in the group. As compared with the year end figure for 2007 this meant an increase of nine persons. At the end of Q3, there were 22 employees in the commercial department, 34 in production, control and quality assurance, and 63 employees in marketing and sales. This means, 53 percent of all employees are active in the latter area. As of year's end the number of employees will be reduced by ten due to a one-time personnel adjustment in the field force.

6 VITA 34 ON THE CAPITAL MARKET

The pressure on the financial markets increased further in Q3 2008. Share prices on the German stock market, as was the case on the international exchanges, dropped significantly. Thus, the tendency of the first half year was exacerbated. The German stock index, DAX, lost some 28

percent from year's end 2007 until September 30, 2008, and more than 9 percent in Q3. The SDAX as an indicator for the development of equities lost 35 percent since the beginning of 2008 and 20 percent in Q3.

The VITA 34 shares were also subjected to significant losses. Following the out-performance in 2007, as of September 30, 2008 the price was EUR 5.20, thus 58 percent below the 2007 year end closing cost, and thus developed less favorably than the overall market. This development was stopped in Q3. With a minus of some 20 percent, the share price had a development that tracked the SDAX. The Management Board of VITA 34 considers the share price development to be unsatisfactory.

The highest price in the reporting period of EUR 12.50 was achieved on January 8, 2008 on the Xetra exchange, which had the highest trading volume. The high in Q3 of EUR 7.50 was on August 7, 2008. Within the course of the sell-off on the international financial markets on September 30, the price reached its low of EUR 5.20. The average number of traded shares in 2008 dropped significantly below the values attained in 2007 in the downward trend. Per day, 2,790 shares were traded in the first nine months. With a share of some 85 percent, the Xetra was the most liquid exchange. Without a change, Concord Investmentbank AG and ICF Kursmakler AG are the designated sponsors for tight spreads in trade, and thus increase the attractiveness of the stock for investors.

To counteract the unsatisfactory share price development, the Management Board of VITA 34 will continue to keep the capital market communication at a high level. After



numerous roadshows in Germany and other European countries, as well as the participation in several capital market conferences in the first three quarters of the current year, corresponding activities are also planned for Q4. Thus, VITA 34 will present at the German Equity Capital Forum in November and will introduce itself again to investors at a capital market conference in December. Individual conversations with investors in Germany and Europe are also planned.

Interested parties can find in-depth information on business developments and the stock on the company's

home page, www.vita34.de, under "Investor Relations." The internet presence has been further optimized and navigation has been improved as of Q4 2008. VITA 34 is always available for investor questions under vita34@edicto.de.

7 RISKS AND MARKET OPPORTUNITIES

The risks and market opportunities for VITA 34 have not changed significantly as compared with those risks and opportunities listed in the 2007 annual report.

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 3 rd quarter 2008 (Xetra)	12.40 EUR / 12.50 EUR / 5.20 EUR / 5.20 EUR
Number of shares issued	2,646,500
Freefloat as of 09/30/2008	50.5%
Market capitalization as of 09/30/2008	EUR 13.8 million
Designated sponsors	ICF Kursmakler AG / Concord Investmentbank AG



8 OUTLOOK

VITA 34 considers its last communicated full year's prognosis as confirmed by the course of Q3 and the first nine months of 2008. Accordingly, revenues will be in a range of EUR 15.0 million and EUR 16.0 million. Revenues in the record year 2007 were EUR 15.4 million. In the storage of umbilical cord preparations, the prior year's record of 10,458 should be exceeded in the single-digit percent range, such that the highest value in the history of the company will be attained. In addition, the goal of performing 3,000 storages for the Spanish partner Secuvita in the full year is expected to be easily reached. Thus, the storages from Spain will have grown by more than 50 percent.

VITA 34 will further optimize the marketing and sales measures in Q4 2008. Here, the image of VITA 34 has been completely reworked. The new advertising will be introduced to the market in Q4, and the internet presence is being comprehensively overhauled in the course of this. In addition, the range of products has been differentiated further. VITA 34 now offers the storage of umbilical cord blood as a premium version in combination with genetic tests. These provide information on possible disease risks at birth. In addition, the company will continue to intensify efforts to enter into cooperation with health insurance funds. To this end, VITA 34 has increased staffing in the key account area. In other areas, a streamlining of personnel expenditures was initiated, which should have an effect as of the beginning of 2009. The regional distribution of field force employees was adjusted to the market requirements that have become apparent, such that the

target group of gynecologists, midwives and parents' groups can be addressed with a lower number of employees than planned in the past.

VITA 34 expects clearly increased revenues for 2009. Here, the increase should be fed both by income sources domestically and, increasingly, abroad. In the foreign activities, VITA 34 will concentrate on using the expertise built up over more than 10 years as the first private umbilical cord blood bank in Europe. VITA 34 has extensive expertise and a quality level that sets market standards, which is to be transformed into economic success.

VITA 34 endeavors to reach break-even in 2009 based on the full year. This goal is a high priority in designing the development of the company. Apart from increasing revenues, it is intended to achieve this with corresponding direction of the expense items in the income statement. VITA 34 considers itself to be well equipped from a liquidity perspective to achieve the set goals thanks to the financial resources acquired in the capital increase when the company went public in 2007.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

09/30/2008

1 CONDENSED CONSOLIDATED INCOME STATEMENT

EUR K	NOTE	07/01 – 09/30/2008	07/01 – 09/30/2007	01/01 – 09/30/2008	01/01 – 09/30/2007
Continuing operations					
Revenues		4,109	4,080	11,296	11,513
Cost of sales		-1,311	-1,063	-3,764	-3,380
Gross profit		2,798	3,017	7,532	8,133
Other operating income		112	87	609	222
Selling expenses		-2,633	-2,065	-7,625	-5,449
Administrative expenses		-699	-849	-2,000	-2,059
Other operating expenses		-158	-119	-225	-157
Net operating income		-580	71	-1,709	690
Finance revenues		133	146	369	296
Finance costs		-144	-42	-456	-1,402
Earnings before taxes		-591	175	-1,796	-416
Income tax expense	7	117	-316	409	-556
Profit from continuing operations		-474	-141	-1,387	-972
Discontinued operation					
Profit/Loss from discontinued operations		0	-91	248	1,058
Period result		-474	-232	-1,139	86
Earnings per share, basic/diluted (EUR)		-0.18	-0.09	-0.43	0.03
Earnings per share from continuing operations, basic/diluted (EUR)		-0.18	-0.05	-0.52	-0.39

2 CONDENSED CONSOLIDATED BALANCE SHEET (ASSETS)

EUR K	NOTE	09/30/2008	12/31/2007
Non-current assets			
Goodwill		11,911	11,911
Intangible assets		891	740
Property, plant and equipment		2,828	2,622
Investments	3	64	214
Other financial assets	4	35	35
Deferred tax assets		644	222
Non-current trade receivables		2,029	1,459
		18,402	17,203
Current assets			
Inventories		599	572
Trade receivables		1,944	1,254
Other receivables and assets		1,167	1,211
Short-term investments		862	1,951
Restricted cash		1,066	1,066
Cash and cash equivalents	6	6,325	9,002
		11,963	15,056
		30,365	32,259

2 CONDENSED CONSOLIDATED BALANCE SHEET (LIABILITIES)

EURK	NOTE	09/30/2008	12/31/2007
Equity			
Issued capital		2,647	2,647
Capital reserves		23,175	23,116
Revenue reserves		-7,161	-6,022
Other reserves		-22	-12
		18,639	19,729
Non-current liabilities and deferred income			
Interest-bearing loans		1,562	1,625
Silent partners' interests		1,432	1,417
Provisions	5	0	299
Deferred grants		620	676
Trade payables		0	61
Deferred income		5,454	5,154
		9,068	9,232
Current liabilities and deferred income			
Trade payables		648	884
Provisions		135	215
Income tax liabilities		112	112
Interest bearing loans		125	213
Deferred grants		81	81
Other liabilities		1,042	1,370
Deferred income		515	423
		2,658	3,298
		30,365	32,259

3 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR K	NOTE	01/01 – 09/30/2008	01/01 – 09/30/2007
Cash flow from operating activities			
Earnings before taxes		-1,796	-416
Adjusted for:			
Amortization and depreciation		316	258
Disposal of non-current assets		0	0
Other non-cash expenses and income		0	65
Exchange differences		-12	0
Finance expenses and revenues		87	1,155
Expenses of stock-based compensation		59	13
Changes in deferred grants		-56	-27
Cash flow from ordinary operations			
+/- Trade receivables and other receivables and assets		-1,228	-1,064
+/- Inventories		-27	-181
+/- Trade payables and other liabilities		-625	78
+/- Provisions		-131	-588
+/- Deferred income		392	324
Interest paid		-138	0
Income taxes paid		-13	-16
Cash flow from operating activities	7	-3,172	-399
Cash flow from investing activities			
Purchase of intangible assets		-287	-191
Purchase of property, plant and equipment		-386	-414
Proceeds from sale of equipment		0	45
Purchase of short-term investments		0	-1,984
Proceeds from sale of short-term investments		1,000	0
Interest received		317	0
Cash flow from investing activities		644	-2,544
Cash flow from financing activities			
Proceeds from issuance of share capital		0	8,055
Changes in silent partnerships		0	1
Loan redemption		-151	-126
Cash flow from financing activities		-151	7,930
Net change in cash and cash equivalents from continued operations		-2,679	4,987
Change in cash and cash equivalents from discontinued operations			
From operating activities		0	-276
From investing activities		0	1,407
Cash flow used in discontinued operations		0	1,131
Net change in cash and cash equivalents		-2,679	6,118
Cash and cash equivalents at the beginning of the reporting period		10,068	3,029
Net foreign exchange difference		2	-31
Cash and cash equivalents at the end of the reporting period	6	7,391	9,116
Short-term investments		862	4,299
Restricted cash		-1,066	-1,063
Liquid funds		7,187	12,352

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
Available-for-sale shares				29	29
Difference arising from foreign currency translation				-4	-4
Stock-based compensation		13			13
Period result			86		86
Total period result	0	13	86	25	124
Issue of capital stock	600	8,400			9,000
Transaction costs		-945			-945
September 30, 2007	2,647	23,097	-4,750	121	21,115
January 1, 2008	2,647	23,116	-6,022	-12	19,729
Difference arising from foreign currency translation				-10	-10
Stock-based compensation		57			57
Period result			-1,139		-1,139
Total period result	0	57	-1,139	-10	-1,092
Transaction costs		2			2
September 30, 2008	2,647	23,175	-7,161	-22	18,639

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, 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 consolidated interim financial statements for the period from January 1 until September 30, 2008 were approved for publication by the Management Board on October 9, 2008.

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 September 30, 2008 has been conducted in accordance with IAS 34 "Interim Financial Reporting."

The 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, 2007.

2.2 Significant Accounting and Valuation Methods

The accounting and valuation methods used to prepare the 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, 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 effect on the asset, financial and profit situation of the group. It did, however, lead to additional information in the appendix to the condensed consolidated interim financial statements.

3 PARTICIPATIONS

In fiscal year 2008 an adjustment affecting profits in the amount of EUR 145,000 was made as a consequence of a significant and apparently permanent drop in the stock price of the shares in Cord Blood America Inc., Los Angeles/USA. The adjustment was made in the consolidated statement of profit and loss and in the financial expenditures.

4 OTHER FINANCIAL ASSETS

The loan with conversion options into shares in Cord Blood America Inc. in segment other financial assets was completely adjusted to the applicable time value of the shares to be received in the course of conversion (market price on September 30, 2008) in Fiscal Year 2008. The adjustment totaling EUR 17,000 was made in the consolidated statement of profit and loss and in the financial expenditures.

5 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 a profit of EUR 248,000 as a consequence of dissolving the provision for this onerous, long-term lease, which is listed separately as "Profit from discontinued operations."

6 CASH AND CASH EQUIVALENTS

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

OVERVIEW CASH AND SHORT-TERM-DEPOSITS	09/30/2008	09/30/2007
	EUR K	EUR K
Cash at banks and in hand	6,325	8,053
Restricted cash	1,066	1,063
	7,391	9,116

7 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 – 09/30/2008	01/01 – 09/30/2007
	EUR K	EUR K
Current income tax		
Current income tax expense	4	350
Deferred income tax		
Origination and reversal of temporary differences	29	206
On unused tax losses	-325	0
Income tax expense reported in the consolidated income statement	-292	556

8 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 is not 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 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. 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 June 30, 2008 and 2007 respectively.

The information presented under "USA" refers to the abandoned business segment. The divestiture of this business segment was completed on February 28, 2007. Thus, only the sales revenues and the segment results for the period from January 1 to February 28, 2007 are listed under "USA" in 2007.

The segment operating profit/loss does not contain any finance revenues (EUR 369,000), finance expenses (EUR 456,000) and income tax expenses (EUR 409,000), since they are not directly attributable to the individual segments.

The segment assets do not contain any deferred taxes (EUR 644,000) since these assets are taxed at the group level.

The segment liabilities does not contain any actual taxes (EUR 112,000), 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 percent of the income of the group. Income in the period from January 1 to September 30, 2008 was EUR 1.62 million (January 1 to September 30, 2007: EUR 520,000).

PERIOD FROM 01/01 – 09/30/2008	DACH	SPAIN	USA	TOTAL
	EUR K	EUR K	EUR K	EUR K
Revenue				
Segment revenue	9,679	1,617	0	11,296
Other segment information				
Segment result before interest and tax	-1,366	143	0	-1,223
Unallocated profit/loss				-486
Segment result				-1,709
Profit/loss from discontinued operation	0	0	0	0
Segment assets	23,750	392	0	24,142
Unallocated assets				6,097
Total assets				30,239
Segment liabilities	11,315	0	0	11,315
Unallocated liabilities				411
Total liabilities				11,726
PERIOD FROM 01/01 – 09/30/2007				
	DACH	SPAIN	USA	TOTAL
	EUR K	EUR K	EUR K	EUR K
Revenue				
Segment revenue	10,993	520	104	11,617
Other segment information				
Segment result before interest and tax	1,601	-84	0	1,517
Unallocated profit/loss				-827
Segment result				690
Profit/loss from discontinued operation	0	0	1,058	1,058
Segment assets	24,459	145	0	24,604
Unallocated assets				8,766
Total assets				33,370
Segment liabilities	10,904	0	0	10,904
Unallocated liabilities				1,351
Total liabilities				12,255

9 INFORMATION ON RELATED PERSONS AND PARTIES

The following table contains the total amounts arising from transactions with related persons or parties in the period from January 1 to September 30, 2008 and 2007 respectively:

EXPENSES TO RELATED PARTIES	TOTAL AMOUNT OF TRANSACTIONS	
PERIOD FROM 01/01 – 09/30	2008	2007
	EUR K	EURK
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	107
Compensation of key management personnel of the Group:		
Short-term benefits:		
– Remuneration of the Supervisory Board	45	43
– Management Board salaries	401	517
Other long-term benefits:		
– The Management Board of VITA 34 International AG	73	16
Share-based compensation		
– The Management Board of VITA 34 International AG	56	13

FINANCIAL CALENDAR 2008 & 2009**2008**

February 15, 2008	Publication of Annual Report 2007
April 14, 2008	Publication of 3-Month Report
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 12, 2008	German Equity Forum

2009

February 27, 2009	Publication of Annual Report 2008
April 20, 2009	Publication of 3-Month Report
July 14, 2009	Publication of Semi-Annual Report
October 14, 2009	Publication of 9-Month Report

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