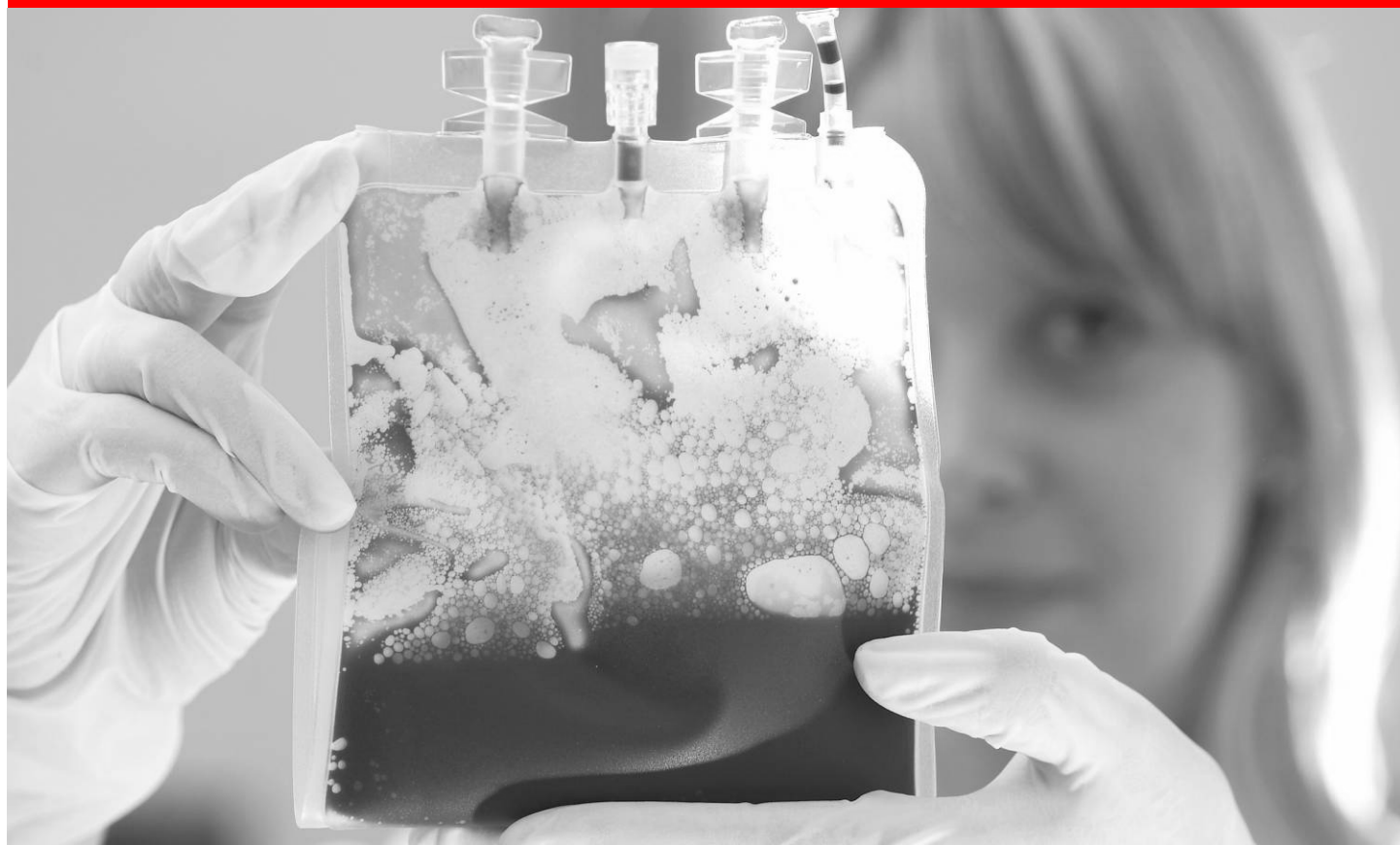


# INTERIM REPORT

January to September 2011



- 
- Merger of the company
- 
- Positive group result
- 
- Increase in storage figures in the course of the year
- 

 **VITA 34**

# CONSOLIDATED KEY FIGURES

		07/01 – 09/30/2011	07/01 – 09/30/2010	01/01- 09/30/2011	01/01- 09/30/2010
<b>STEM CELL PREPARATIONS</b>					
Umbilical cord blood storages	Number	2,363	3,141	6,840	8,293
<b>PROFIT / LOSS</b>					
Revenues	EUR k	4,330	4,355	12,102	11,955
Gross profit	EUR k	2,692	3,126	7,263	7,994
EBITDA	EUR k	495	421	335	1,087
EBIT	EUR k	242	190	-386	374
Period result	EUR k	961	32	512	221
				<b>09/30/2011</b>	<b>09/30/2010</b>
<b>BALANCE SHEET / CASH FLOW</b>					
Total assets	EUR k			33,567	37,019
Equity	EUR k			19,330	18,795
Equity ratio	%			57.6	50.8
Liquid funds	EUR k			2,210	4,674
Capital expenditures*	EUR k	439	158	902	729
Depreciation*	EUR k	253	231	721	713
Cash flow from operating activities	EUR k	425	341	-1,606	32
<b>EMPLOYEES</b>					
Employees (as of September 30)	Number			129	131
Personnel expenditures	EUR k			4,344	4,116

\* Information for tangible and intangible assets

# CONTENTS

	<b>SEITE</b>
<b>LETTER TO THE SHAREHOLDERS</b>	<b>4</b>
<b>GROUP INTERIM REPORT</b>	<b>6</b>
1 Summary	6
2 Revenue and Profit Situation	6
3 Financial and Asset Situation	7
4 Investments	9
5 Employees	9
6 VITA 34 on the Capital Market	9
7 Risks and Market Opportunities	10
8 Outlook	11
<b>CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS</b>	<b>12</b>
1 Condensed Consolidated Statement of Income	12
2 Condensed Consolidated Statement of Comprehensive Income	13
3 Condensed Consolidated Statement of Financial Position	14
4 Condensed Consolidated Statement of Changes in Group Equity	16
5 Condensed Consolidated Statement of Cash Flows	18
<b>NOTES ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS</b>	<b>20</b>
<b>BOARD MEMBERS</b>	<b>24</b>
<b>FINANCIAL CALENDAR AND CREDITS</b>	<b>25</b>

# LETTER TO THE SHAREHOLDERS

Dear Shareholders,

In the last nine months of 2011 umbilical cord blood preparations stored at VITA 34 AG were put to medical use again. We are very glad about and proud of this fact.

VITA 34 is still the only private umbilical cord blood bank in Germany from which cord blood preparations have been used for the treatment of severe diseases. For example, to date in 2011 three additional children have been treated with umbilical cord blood cells from VITA 34. Additional transplants are currently being prepared. In all, the number of definitive medical applications has thus increased to 18 since the year 2004. This makes VITA 34 unique in Germany and Europe.

In April 2011, for the first time, a child from the new German states, in Saxony, was treated with her own umbilical cord blood stem cells. The three year-old girl was suffering from brain damage as a consequence of a congenital type of hypoglycemia. In the spring of 2011 our "VitaplusSpende" [Vita plus donation] product was used for the first time after we delivered a transplant to Argentina. In "VitaplusSpende" parents store the umbilical cord blood of their children at VITA 34 and leave the option open as to whether the preparation may also be used for an unknown person. The third transplantation in 2011 was done to treat a child with Type 1 diabetes within the context of a European study in collaboration with the Technical University Munich.

As you may have noticed in our communications and on our investor relations website [www.vita34group.com](http://www.vita34group.com), we are using the group name VITA 34 AG. The Annual General Meetings of both companies have resolved to merge VITA 34 International AG and VITA 34 AG. Since then, we have only used the name VITA 34 AG. In doing so, we have considerably simplified the group structures. This is part of our clear and open communication, since the company is already known on the market as VITA 34 AG.

From a business perspective the past nine months of the current fiscal year were challenging for us. The tense eco-

nomie situation in Spain, one of our most important markets, and the reticence with regard to private preventative expenditures in our home German market, have left their mark on the development of our business. In addition, storage for the Norddeutsche Knochenmark- und Stammzellregister (NKR - North German Bone Marrow and Stem Cell Registry), which had increased sharply in 2010, was fully eliminated in 2011. Nonetheless, we were able to increase the result in Q3 2011 and attain revenues at the level of the prior year.

In Q3 2011 we were again successful in posting numbers in the black, after having to post losses in the first and second quarters of 2011. The group result from July to September 2011 of some EUR 1 million was significantly higher than the result of the prior year of EUR 0.03 million. The earnings before interest and taxes, EBIT, of EUR 0.24 million in Q3 2011 also exceeded the prior year's level of EUR 0.19 million. Revenues of EUR 4.33 nearly reached the level of the third quarter of 2010.

However, we do not want to hide the fact that in Q3 there was a positive special effect from the activation of deferred taxes on the losses of VITA 34 International AG carried forward in the wake of the merger.

The development of business was particularly pleasing in Italy, where we are active with our partner Sorgente S.r.l. The storage figures and the revenues from this region rose significantly in the reporting period and corresponded with our expectations. This positive trend should continue from our perspective.

The number of storages of 2,363 preparations in Q3 2011 exceeded both of the two preceding quarters of 2011, however, we were not able to attain the level of Q3 2010 of 3,141 stored umbilical cord blood preparations.



Despite the difficult economic situation Spain is one of the most important European markets for the storage of umbilical cord blood. The storage rate there is, in all, roughly twice that of Germany's. In Spain some umbilical cord blood is stored in some 4 percent of the roughly 500,000 births annually. This results in approximately 20,000 storages per year. In comparison, Germany has a large potential for catching up. Here, umbilical cord blood is stored in some 2 percent of the 670,000 births annually. That is more than 13,000 storages. This is why the Spanish market is so interesting for us, and a presence there of such great significance. We are active there with our subsidiary company Secuvita, S. L., of which we acquired a majority interest in May 2010, and have held an 88 percent interest in since July 2010. Through Secuvita we occupy a leading position amongst the 20 providers active there. Moreover, the storages through Secuvita offer a very attractive margin and provide us with an important contribution towards utilization of our capacities.

In Germany we remain the uncontested market leader. VITA 34 is by far the leading umbilical cord blood bank in the German-speaking countries, with some 84,000 stored umbilical cord blood preparations. As the oldest umbilical cord blood bank in Europe the company has extensive experience in the entire process chain of collection, preparation and storage of umbilical cord blood for preventative medical services. This applies both to storages for autologous and allogenic usage. In addition, the use of the highest quality standards and permits for a broad spectrum of applications distinguish VITA 34 as an experienced provider.

We want to be profitable for the full year 2011. Nonetheless, the fourth quarter of the current fiscal year will remain challenging. Thus, although we do expect stable revenues, they should lie lower than the level of our record year 2010.

We have already done quite a bit to drive growth. We expect positive impetus for the future development of business via a cooperation with one of the largest laboratory service companies in Germany, MVZ synlab, which we have had since July 2011. MVZ synlab has more than 100 locations with over 1,000 employees. In this way we intend to intensify our sales activities, primarily in the old German states, and expand our regional presence there.

In the past months, however, we have also undertaken additional steps towards intensifying our sales and marketing activities. An additional building block is our new online presence and the new "VITA 34 direkt" online offering. With this we are addressing new target groups in Germany and are providing an offer with a low cost of entry.

We also want to carefully continue our international expansion, in order to open up additional attractive markets. The stabilization of the German and Spanish business, however, remains a priority.

VITA 34 is positioned in a market that is very promising in the long term. We are confident that the increasing medical use of umbilical cord blood stem cells will lead to a significant increase in the acceptance of the private storage of umbilical cord blood in the long term.

Leipzig, October 17, 2011

Dr. med. Eberhard F. Lampeter  
CEO

Jörg Ulbrich  
CFO

# GROUP INTERIM REPORT

01/01 to 09/30/2011

## 1 SUMMARY

VITA 34 offers the collection, preparation and storage of umbilical cord blood as a preventative medical service. As the first private umbilical cord blood bank in Europe, the company has a great deal of experience in the entire process chain, both for autologous as well as for allogenic use. Adult stem cells collected from umbilical cord blood are characterized by the fact that they are removed at the earliest possible point in time and, therefore, have particularly great potential. As compared with bone marrow stem cells there are greater possible uses than originally presumed. Stem cells are used in numerous therapies of severe diseases and in regenerative medicine. To date autologous umbilical cord blood has been used more than one-hundred times worldwide within the scope of experimental treatments and clinical studies. Since 2004, a total of 18 of the umbilical cord preparations stored at VITA 34 have been used, 3 of them in 2011.

VITA 34 is by far the largest umbilical cord blood bank in the German-speaking countries, with some 84,000 stored umbilical cord blood preparations. VITA 34 services are offered in various configurations in additional European countries. Storages are performed for customers from Spain, Italy, Austria, Switzerland and Slovenia. Umbilical cord blood preparations from Slovakia will also be stored in Leipzig in the future. The foreign activities contribute to filling the capacities of VITA 34 in Leipzig.

Expecting parents can select different service and price offerings at VITA 34, all at the highest level of quality. Apart from the products that existed before, VITA 34 Klassik, VITA 34 Max and VitaplusSpende, VITA 34 recently introduced an attractive online offering for the German market, "VITA 34 direkt." This contains a pricing model with a low, one-time fee of EUR 690 and an ongoing monthly fee of EUR 8.

Altogether, the business development of VITA 34 is mainly determined by how trustworthy and credible the storage of umbilical cord blood is perceived to be amongst the general

public. Therefore, it is an important objective of VITA 34 to increase the acceptance and impart the meaningfulness of the provisional storage of umbilical cord blood. The dialog primarily with opinion leaders in healthcare, physicians and midwives makes an important contribution. This is why VITA 34 is active in basic research as well as applied research.

## 2 REVENUE AND PROFIT SITUATION

The number of stored stem cell preparations in Q3 2011 was 2,363 and, therefore, slightly higher than Q2 with 2,287 storages. As compared with the prior year's quarter that had 3,141 storages, Q3 2011 was clearly lower. In all, in the first nine months of 2011 the number of storages declined slightly from 8,293 as compared to the corresponding period the previous year to 6,840. The decrease can be attributed to the fact that in the reporting period no umbilical cord blood preparations were stored for the German Umbilical Cord Blood Bank [Deutsche Nabelschnurblutbank – NKR]. Additional reasons were declining storage figures from Spain due to the tense economic situation there and reticence with regard to private preventative expenditures in our German home market. Our Italian partner Sorgente, S.r.l., made a positive contribution. Their storage figures show continuous growth.

Revenues, which trail storages by one to two months, were at the same level in Q3 2011 with EUR 4.3 million as they were in Q3 of the prior year. In the first nine months of 2011 they were EUR 12.1 million as compared to EUR 12.0 million in the prior year's period.

The gross profit from sales in Q3 2011 of EUR 2.7 million was slightly under the value of the prior year's level. The gross profit of the prior year's quarter in the amount of EUR 3.1 million primarily resulted from an increase in unfinished goods. In the first nine months the gross profit declined from EUR 8.0 million in the prior year to EUR 7.3 million.



Here, it should be taken into consideration that both the revenues and the expenses of Secuvita, S. L. were fully consolidated in 2011, whereas only four and a half months were incorporated in the prior year's period.

The marketing and sales expenditures increased slightly in Q3 to EUR 1.7 million following EUR 1.6 million the prior year. In all, expenditures for marketing and sales increased to EUR 5.4 million in the first nine months of 2011, following EUR 5.2 million in the prior year's period. Administrative costs were lower in Q3 2011 at EUR 0.8 million following EUR 1.0 million the year before. In the first nine months of 2011 they decreased from EUR 2.4 million in the prior year to EUR 2.3 million. Through increasing efficiency in sales and planned savings in administration, the costs in the first nine months of 2011 were at the level of the prior year's period, despite the full consolidation with Secuvita, S. L.

The earnings before interest and taxes, EBIT, were EUR 242k in Q3, following EUR 190k the prior year. In the first three quarters of 2011 EBIT was EUR -386k. A year before it was EUR 374k. In Q3 the financial result was EUR -49k, following EUR -38k the prior year. The financial result in the first three quarters was EUR -87k as compared with EUR -6k the year before.

In accordance with IFRS there was a tax income of EUR 768k in Q3 2011, as compared with a tax expense of EUR -120k in the corresponding prior year's period. In the first three quarters of 2011 there was a positive tax effect of EUR 985k following EUR -147k a year before. In the wake of the merger, the tax losses of VITA 34 International AG carried forward were for the first time activated as deferred taxes. In the reporting period this led to one-time income from the activation of deferred taxes on losses carried forward.

In all, the period result in Q3 2011 was EUR 961k following EUR 32k the year before. In the first three quarters of 2011 the period result was EUR 512k, having been EUR 221k in the prior year's period.

### 3 FINANCIAL AND ASSET SITUATION

#### Financial Situation

On September 30, 2011 cash and cash equivalents were EUR 2.2 million. As compared with year's end 2010 they were reduced by EUR 2.8 million. A major part of the change in cash was the result of operating activities.

In the first three quarters of 2011 the operating cash flow totaled EUR -1.6 million, following EUR 32k the prior year. The reduction in liabilities in the first three quarters of 2011 had a negative effect of EUR 2.8 million. As in Q2, in Q3 2011 a positive cash flow from operating activities of EUR 0.4 million was achieved. Compared to the prior year's period the cash flow increased by EUR 0.1 million

The cash flow from investing activities was EUR 0.6 million in the first three quarters of 2011 following EUR -4.4 million in the prior year's period. Altogether, EUR 1.5 million of this was attributable to the sale of current financial investments in this period.

The cash flow from financing activities was negative in the first three quarters of 2011 at EUR -0.3 million.

#### Assets

Unchanged, VITA 34 AG has a solid balance sheet structure. As of September 30, 2011, the equity ratio was some 58 percent and had increased slightly as compared to the status at the close of 2010 when it was 51 percent. The balance sheet total decreased to EUR 33.6 million as of September 30th, as compared to EUR 36.7 million at the end of 2010.

On the assets side the goodwill of EUR 13.4 million remained unchanged the largest item. It is comprised of the goodwill of VITA 34 AG and its subsidiary Secuvita, S. L. together.

# First Child In the New German States Treated with Umbilical Cord Blood Stored at VITA 34.

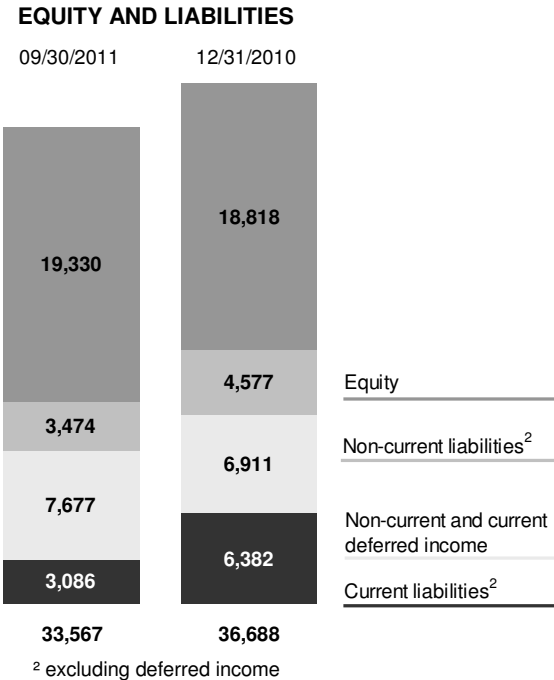
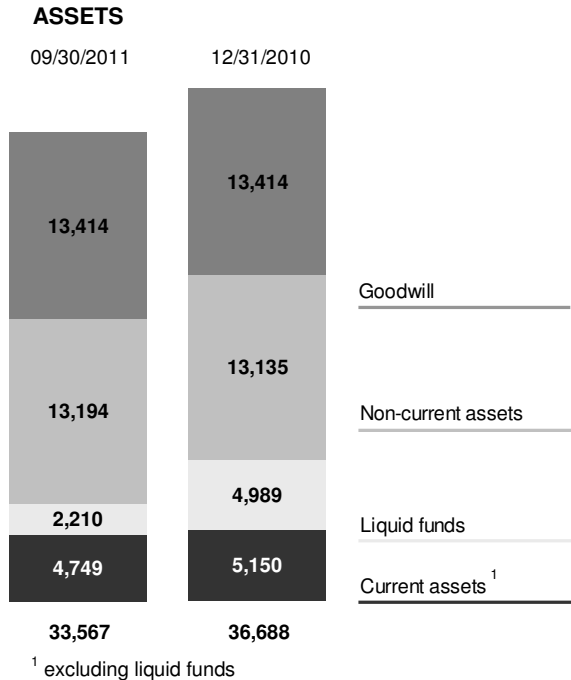
The current assets without cash and cash equivalents decreased from EUR 5.2 million at the end of 2010 to EUR 4.7 million as of September 30, 2011. A slight reduction in current trade receivables, as well as a retirement of a credit line in the amount of EUR 0.2 million, among other things, contributed to this. Cash and cash equivalents decreased from EUR 5.0 million at year's end 2010 to EUR 2.2 million as of September 30, 2011.

On the liabilities side of the balance sheet the equity as of September 30, 2011 was EUR 19.3 million and, thus, above the year's end 2010 level of EUR 18.8 million. The registered capital remained constant at EUR 2.6 million.

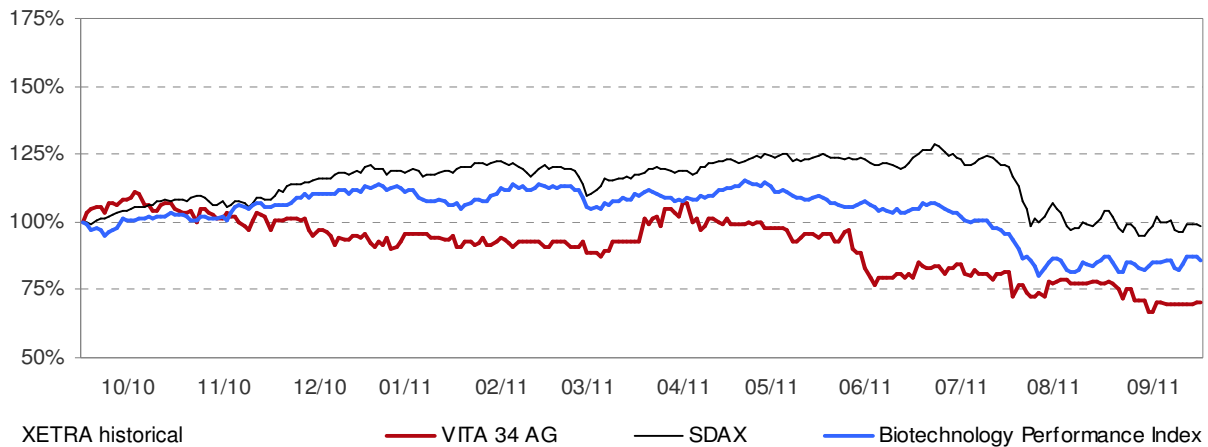
The long-term liabilities without deferred income dropped in the reporting period to EUR 3.5 million, following EUR 4.6 million at the end of 2010.

Deferred income increased in the first three quarters of 2011 from EUR 6.9 million at year's end 2010 to EUR 7.7 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 sharp increase as compared with year's end 2010 is the result of the pre-payment models that Secuvita, S. L. has been offering its clients as of this year.

The current liabilities without deferred income decreased significantly in the first three quarters by EUR 3.3 million from EUR 6.4 million at the end of 2010 to EUR 3.1 million as of September 30, 2011. Here, other liabilities were significantly reduced in the reporting period to EUR 0.5 million, as compared with EUR 3.1 million at the end of 2010.







#### 4 INVESTMENTS

VITA 34 made investments in plant and material and intangible assets in the amount of EUR 0.4 million in Q3 2011. This amount is slightly higher than the one of the prior year's period. In the first nine months of 2011 the investments totaled EUR 0.9 million and exceeded the amount of the prior year by EUR 0.2 million. 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 September 30, 2011 VITA 34 employed 129 employees and five trainees in either full or part-time positions. Compared with the end of 2010 this means a reduction of the number of employees by 18, due to personnel changes.

As of September 30, 2011, some 43 percent of the VITA 34 employees were active in marketing and sales. This department was unchanged the by far largest share with 55 employees. In production and quality assurance VITA 34 had 46 and in the commercial department 28 employees.

#### 6 VITA 34 ON THE CAPITAL MARKET

The debt crises in the USA and Europe remained the dominant topic in Q3 2011, and led to severe turbulence in the stock markets. The ongoing concerns about sovereign debt and the unsure future of the EURO caused broad-based retreats in stock prices as of the end of July. The German DAX stock index, in which the 30 largest German stocks are represented, lost 25 percent of its value between July and September 2011. Since the beginning of the year the DAX has declined some 20 percent. Second-line stocks also declined significantly: The MDAX Mid-Cap Index fell by 24

percent in Q3 and by 18 percent in the first nine months of 2011. The SDAX Small-Cap Index dropped by 20 percent from July to September and by 17 percent from January to September. The indices relevant to VITA 34 also posted significant losses. CDAX, the Biotechnology Performance Index, gave up 25 percent in Q3 and the Pharma & Healthcare Performance Index lost 10 percent.

VITA share was not completely able to avoid this development, although the stock price trended better than most comparative indices in Q3. The closing price on September 30, 2011 of EUR 3.49 was 11 percent lower than the price at the end of June 2011 of EUR 3.93 and 25 percent below the level of the 2010 year-end closing price of EUR 4.66. The stock price hit its high of EUR 4.20 in Q3 on July 1, 2011. The year's high to date of EUR 5.46 was noted on April 15, 2011, and the low as of the beginning of the year of EUR 3.05 was on August 5, 2011.

The average daily trading volume on all markets in the first nine months was 2,840 shares. Of these, 71 percent were on the Xetra electronic trading system.

ICF Kursmakler AG continued to be the Designated Sponsor in the reporting period, providing for the necessary liquidity of the stock by setting the binding bid and ask prices on Xetra.

There were no changes in the fundamental shareholder structure in the reporting period: The percentage of VITA shares held by founders and management is now 14.7 percent. The largest single shareholder is the American health insurance company Independence Blue Cross with a share of 20.7 percent. Landesbank Baden-Württemberg held 15.8 percent via its subsidiaries CFH Beteiligungsgesellschaft mbH (9.15 percent) and SBF Sächsische Beteiligungsfonds GmbH (6.68 percent) of VITA 34 AG. The free-float was 48.8 percent.

# Simplification of Group Structure by Merger Into VITA 34 AG.

The Annual General Meeting took place in Leipzig on July 12, 2011. The shareholders approved all agenda items with more than 99 percent of the votes. Among other things the merger of VITA 34 AG with VITA 34 International AG was resolved. The merged company is now using the VITA 34 AG name.

The Management Board conducted a number of discussions with German and international investors, as well as financial analysts. In addition, close contact with the financial and business media were maintained and expanded. In May 2011 the Company took part in the Munich Capital Market Conference (MKK). In the future VITA 34 AG will continue to pursue open and active capital market communication. The second shareholders' letter is planned for publication in November 2011. The Company will present again at this year's German Equity Capital Forum of Deutsche Börse AG in Frankfurt on November 22, and will seek out dialog with investors, analysts and journalists.

First Berlin Equity Research GmbH also continuously observed and analyzed VITA 34 AG and published its research in 2011. This analysis firm continues to give the VITA share a buy recommendation with a target price of EUR 6.00.

Additional information on the stock and the development of business is available on our Investor Relations website [www.vita34group.com](http://www.vita34group.com).

## 7 RISKS AND MARKET OPPORTUNITIES

With regard to risks and market opportunities, there have been no significant changes to the risks and opportunities listed in the 2010 Annual Report at VITA 34 in Q3 2011.

### INFORMATION AND KEY FIGURES ON THE SHARES

Ticker symbol / Reuters symbol	V3V / V3VGn.DE
Securities number / ISIN	A0BL84 / DE000A0BL849
Initial quotation	03/27/2007
Market segment	Prime Standard
Index	CDAX, Prime All Share, Technology All Share, Prime IG Biotechnology
Opening / High / Low / Closing price Q3 2011 (Xetra)	3.93 EUR / 4.20 EUR / 3.05 EUR / 3.49 EUR
Number of shares issued	2,646,500
Freefloat as of 09/30/2011	48.8%
Market capitalization as of 09/30/2011	EUR 9.2 million
Designated Sponsor	ICF Kursmakler AG



## 8 OUTLOOK

The VITA 34 Group plans to close out the full year 2011 with a profit. Nonetheless, the fourth quarter will remain challenging for the Company. Stable revenues are expected, however, they will most likely be below the level of record year 2010.

In the further course of fiscal year 2011 the additional market expansion in Germany and the stabilization primarily of the Spanish business will be the focal points. In Spain, on the other hand, the market environment will remain challenging in the coming months. VITA 34 is active there via its subsidiary Secuvita, S. L.

In addition, we intend to carefully expand our European business activities. The respective regulatory environments, the existing infrastructure and the competitive situation are determining factors for VITA 34 in the expansion into new foreign markets. The intent is to make up for the regressing development on the Spanish market by opening new markets.

VITA 34 has already increased its sales and marketing activities and will intensify them further. We expect positive impetus for the future development of business in Germany primarily via a cooperative effort with MVZ synlab, which we have had since July 2011. MVZ synlab is one of the largest laboratory service providers with more than 100 locations in the Federal Republic of Germany. Through this cooperation we intend to expand our regional presence in Germany and increase storage figures.

Additional building blocks of the increased sales and marketing activities are also the new online presence and the "VITA 34 direkt" online offering. With this, VITA 34 is addressing new target groups in Germany and is offering a price model with a low entry price.

Our Italian partner, Sorgente S.r.l. is currently showing a particularly pleasing development with increasing storage figures. VITA 34 expects that this positive trend in Italy will continue in the further course of the year.

Since 2004 a total of 18 of the umbilical cord blood preparations stored at VITA 34 have been used for transplantation. Additional medical applications are already in preparation. In all, the VITA 34 group expects increasing acceptance for the private storage of umbilical cord blood.

Leipzig, October 17, 2011  
Management Board of VITA 34 AG

Dr. med Eberhard F. Lampeter

Jörg Ulbrich

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

09/30/2011

## 1 CONDENSED CONSOLIDATED STATEMENT OF INCOME

EUR K	NOTE	07/01/ 09/30/2011	07/01/ 09/30/2010	01/01/ 09/30/2011	01/01/ 09/30/2010
Revenue		4,330	4,355	12,102	11,955
Cost of sales		-1,638	-1,229	-4,839	-3,961
<b>Gross profit on sales</b>		<b>2,692</b>	<b>3,126</b>	<b>7,263</b>	<b>7,994</b>
Other operating income		128	41	355	553
Selling expenses		-1,685	-1,636	-5,376	-5,203
Administrative expenses		-717	-1,001	-2,277	-2,411
Other operating expenses		-176	-340	-351	-559
<b>Net operating profit/loss</b>		<b>242</b>	<b>190</b>	<b>-386</b>	<b>374</b>
Finance revenue		7	13	80	121
Finance costs		-56	-51	-167	-127
<b>Earnings before taxes</b>		<b>193</b>	<b>152</b>	<b>-473</b>	<b>368</b>
Income tax income/expense	5	768	-120	985	-147
<b>Period result</b>		<b>961</b>	<b>32</b>	<b>512</b>	<b>221</b>
Period result attributable to					
Owners of the parent		990	71	565	314
Non-controlling interests		-29	-39	-53	-93
Earnings per share, basic / diluted (EUR)					
Attributable to ordinary equity holders of the parent				0.21	0.12

## 2 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR K	NOTE	07/01- 09/30/2011	07/01- 09/30/2010	01/01- 09/30/2011	01/01- 09/30/2010
Period result		961	32	512	221
Changes recognized in other comprehensive income		0	0	0	-3
Changes recognized in profit or loss		0	0	0	4
<b>Difference from currency translation</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Changes recognized in other comprehensive income		0	0	0	-19
Changes recognized in profit or loss		0	0	0	-110
<b>Gains/losses on available-for-sale financial assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>-129</b>
<b>Total comprehensive income for the year after tax</b>		<b>961</b>	<b>32</b>	<b>512</b>	<b>93</b>
Period result attributable to					
Owners of the parent		990	71	565	186
Non-controlling interests		-29	-39	-53	-93

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

EUR K	NOTE	09/30/2011	12/31/2010
<b>Non-current assets</b>			
Goodwill		13,414	13,414
Intangible assets		6,772	7,027
Property, plant and equipment		4,190	3,767
Other financial assets		86	125
Deferred tax assets		36	0
Non-current trade receivables		1,697	1,741
Restricted cash		413	475
		<b>26,608</b>	<b>26,549</b>
<b>Current assets</b>			
Inventories		576	626
Trade receivables		2,780	2,914
Other receivables and assets		1,393	1,412
Short-term deposits		0	1,500
Cash and cash equivalents	4	2,210	3,687
		<b>6,959</b>	<b>10,139</b>
		<b>33,567</b>	<b>36,688</b>

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

EUR K	NOTE	09/30/2011	12/31/2010
<b>Equity</b>			
Issued capital		2,647	2,647
Capital reserves		23,236	23,236
Revenue reserves		-6,403	-6,968
Treasury shares		-436	-436
Non-controlling interests		286	339
		<b>19,330</b>	<b>18,818</b>
<b>Non-current liabilities and deferred income</b>			
Interest-bearing loans		1,688	1,760
Silent partners' interests		940	940
Deferred income taxes		0	948
Deferred grants		846	929
Deferred income		6,753	5,838
		<b>10,227</b>	<b>10,415</b>
<b>Current liabilities and deferred income</b>			
Trade payables		689	892
Provisions		16	39
Income tax liabilities		210	210
Interest-bearing loans		1,576	2,060
Deferred grants		102	102
Other liabilities		493	3,079
Deferred income		924	1,073
		<b>4,010</b>	<b>7,455</b>
		<b>33,567</b>	<b>36,688</b>

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

EUR K	EQUITY ATTRIBUTABLE TO THE			
	ISSUED CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	CURRENCY TRANSLATION RESERVE
<b>Balance as of January 1, 2010</b>	<b>2,647</b>	<b>23,236</b>	<b>-7,138</b>	<b>-1</b>
Period result			314	
Difference arising from foreign currency translation				1
Comprehensive income	0	0	314	1
Changes in the consolidation scope				
Changes from equity transactions			-234	
Available-for-sale shares				
<b>Balance as of September 30, 2010</b>	<b>2,647</b>	<b>23,236</b>	<b>-7,058</b>	<b>0</b>
<b>Balance as of January 1, 2011</b>	<b>2,647</b>	<b>23,236</b>	<b>-6,968</b>	<b>0</b>
Period result			565	
Other result				
Comprehensive income	0	0	565	0
<b>Balance as of September 30, 2011</b>	<b>2,647</b>	<b>23,236</b>	<b>-6,403</b>	<b>0</b>



<b>OWNERS OF THE PARENT</b>					
	<b>AVAILABLE-FOR-SALE ASSETS</b>	<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>TREASURY SHARES AT ACQUISITIONS COSTS</b>	<b>NON-CONTROLLING INTERESTS</b>	<b>TOTAL EQUITY</b>
	129	18,873	0	0	18,873
		314		-93	221
		1			
	0	315	0	-93	222
		0	-436	1,933	1,497
		-234		-1,434	-1,668
	-129	-129			-129
	0	18,825	-436	406	18,795
	0	18,915	-436	339	18,818
		565		-53	512
		0			0
	0	565	0	-53	512
	0	19,480	-436	286	19,330

## 5 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR K	NOTE	01/01/- 09/30/2011	01/01/- 09/30/2010
<b>Cashflow aus betrieblicher Tätigkeit</b>			
Earnings before taxes		-473	368
Adjusted for:			
Amortization and depreciation		721	713
Profit / loss from disposal of non-current assets		12	0
Exchange differences		0	-6
Other non-cash expenses and income		-27	-34
Finance revenues		-80	-121
Finance expenses		167	127
Cash flow from ordinary operations:			
+/- Trade receivables and other receivables and assets		236	-40
+/- Inventories		50	-361
+/- Trade payables and other liabilities		-2,789	-508
+/- Provisions		-23	-142
+/- Deferred income		766	162
Interest paid		-167	-127
Income taxes paid		1	1
<b>Cash flow from operating activities</b>		<b>-1,606</b>	<b>32</b>
<b>Cash flow from investing activities</b>			
Purchase of intangible assets		-282	-404
Purchase of property, plant and equipment		-620	-325
Purchase of companies, net of assumed cash		0	-4,204
Proceeds from sale of property, plant and equipment		2	0
Purchase of short-term investments		0	-1,500
Proceeds from sale of short-term investments		1,500	2,000
Interest received		22	55
<b>Cash flow from investing activities</b>		<b>622</b>	<b>-4,378</b>

EUR K	NOTE	01/01/ 09/30/2011	01/01/ 09/30/2010
<b>Cash flow from financing activities</b>			
Changes in restricted cash		62	63
Changes in loans		-357	1,438
<b>Cash flow from financing activities</b>		<b>-295</b>	<b>1,501</b>
Net change in cash and cash equivalents		-1,279	-2,845
Cash and cash equivalents at the beginning of the reporting period		3,489	6,055
Change in cash and cash equivalents from changes in the consolidation scope		0	-38
Net foreign exchange difference		0	2
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4</b>	<b>2,210</b>	<b>3,174</b>
Short-term investments		0	1,500
<b>Liquid funds</b>		<b>2,210</b>	<b>4,674</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 Annual General Meeting convened on July 12, 2011 resolved the merger of the former subsidiary company VITA 34 AG (District Court Leipzig HRB 18047) with VITA 34 International AG by means of merger by absorption. The name of the new company is VITA 34 AG.

The unaudited, condensed, consolidated interim financial statements for the period from January 1 until September 30, 2011 were approved for publication by the Management Board on October 17, 2011.

## 2 ACCOUNTING AND VALUATION PRINCIPLES

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

The preparation of the consolidated interim financial statements for the period from January 1 until September 30, 2011 has been conducted in accordance with IAS 34 "Interim Financial Reporting".

The condensed consolidated interim financial statements do not contain all of the explanations and information prescribed for the annual financial statements and should be read in conjunction with the consolidated financial statements as of December 31, 2010.

### 2.2 Significant Accounting and Valuation Methods

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

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

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

The standards and interpretations required to be used for the first time starting January 1, 2011 resulted in no significant effects on the interim financial statements of VITA 34 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., Alcala de Henares (Madrid), Spain,
- :: Secuvita, S. L., Madrid, Spain.

The Annual General Meeting convened on July 12, 2011 resolved the merger of the former 100% subsidiary company VITA 34 AG (District Court Leipzig HRB 18047) with VITA 34 International AG by means of merger by absorption. The name of the new company is VITA 34 AG. This did not lead to an effect on the group financial statements at hand.

### 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>09/30/2011</b>	<b>09/30/2010</b>
	<b>EUR K</b>	<b>EUR K</b>
Cash at banks and in hand	2,210	3,276
Current account overdrafts	0	-102
	<b>2,210</b>	<b>3,174</b>

### 5 INCOME TAXES

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

<b>MAJOR COMPONENTS OF THE INCOME TAX INCOME</b>	<b>01/01/-09/30/2011</b>	<b>01/01/-09/30/2010</b>
<b>CONSOLIDATED STATEMENT OF INCOME</b>	<b>EUR K</b>	<b>EUR K</b>
<b>Current income tax</b>		
Current income tax expense/income	0	125
<b>Deferred income tax</b>		
Origination and reversal of temporary differences	584	-113
On unused tax losses	401	-159
<b>Income tax income/ expense</b>	<b>985</b>	<b>-147</b>

Within the scope of the merger of the former VITA 34 AG with VITA 34 International AG, the existing tax losses of VITA 34 AG carried forward as of December 31, 2010 were completely eliminated. The active deferred taxes on this were booked as an expense.

The tax losses of VITA 34 International AG carried forward are still available for the company to use as an offset. To date, none of the deferred taxes have been activated on this basis, since VITA 34 International AG was purely a holding company, in which no taxable income was expected. In the wake of the merger the Company now has an operative business itself.

Taking the financial planning for the parent company into consideration, it can be assumed that the tax losses carried forward will be used in the reporting year and in the following years. This is why deferred taxes were activated for the first time on the corresponding tax losses carried forward. In the reporting period this led to one-time income from the activation of deferred taxes on losses carried forward.

## 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 80k and finance costs of EUR -167k) 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 September 30, 2011 and 2010:

PERIOD FROM 01/01 – 09/30/2011					
	DACH	SPAIN	TOTAL	CONSOLID- ATED	GROUP
	EUR K	EUR K	EUR K	EUR K	EUR K
Income from transactions with external customers	8,398	3,704	12,102	0	12,102
Income from transactions with other segments	1,057	0	1,057	-1,057	0
	<b>9,455</b>	<b>3,704</b>	<b>13,159</b>	<b>-1,057</b>	<b>12,102</b>
EBIT (operating profit)	242	-810	-568	182	-386
Depreciation	-429	-292	-721	0	-721
Segment assets	31,857	9,981	41,838	-8,271	33,567
Segment liabilities	-11,016	-11,493	-22,509	8,272	-14,237

PERIOD FROM 01/01 – 09/30/2010					
	DACH	SPAIN	TOTAL	CONSOLID- ATED	GROUP
	EUR K	EUR K	EUR K	EUR K	EUR K
Income from transactions with external customers	9,997	1,957	11,954		11,954
Income from transactions with other segments	829	0	829	-829	0
	<b>10,826</b>	<b>1,957</b>	<b>12,783</b>	<b>-829</b>	<b>11,954</b>
EBIT (operating profit)	1,250	-876	374	0	374
Depreciation	-388	-325	-713	0	-713
Segment assets	31,053	11,178	42,231	-5,212	37,019
Segment liabilities	-7,291	-16,145	-23,436	5,212	-18,224

## 7 AUTHORIZED CAPITAL

In accordance with Art. 7 of the bylaws of VITA 34 AG, the Company has authorized capital (Authorized Capital 2011). By resolution of the Annual General Meeting on July 12, 2011, the Management Board is authorized to increase the capital stock of the Company with the approval of the supervisory board by up to EUR 1,000,000, once or several times, by issue of up to 1,000,000 new registered no-par value ordinary shares in return for contributions in cash or in kind, where the subscription right of the shareholders may be excluded.

The authorized capital 2007 of January 10, 2007 was rescinded.

## 8 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 September 30, 2011 and 2010:

EXPENSES TO RELATED PARTIES	TOTAL AMOUNT OF TRANSACTIONS	
	2011	2010
PERIOD FROM 01/01 – 09/30/	EUR K	EUR K
<b>Compensation of key management personnel of the Group:</b>		
Short-term benefits:		
- Remuneration of the Supervisory Board	20	27
- Management Board salaries	248	236

# BOARD MEMBERS

## SUPERVISORY BOARD

**Dr.-Ing. Holger Födisch**  
**Chairman**

Managing Director Dr. Födisch Umweltmesstechnik AG

**Richard J. Neeson**  
**Deputy Chairman**

President and Chief Executive Officer of AmeriHealth Administrators; President and Chief Executive Officer of Inter-Country Hospitalization Plan, Inc. and Inter-Country Health Plan, Inc. (Inter-Country)

**Dr. med. Uwe Marx**  
**Member of the Supervisory Board**

Project Manager 'Multi-Organ-Chips' at TU Berlin and co-founder of VITA 34

## MANAGEMENT BOARD

**Dr. med. Eberhard F. Lampeter - CEO**  
**Management Board of VITA 34 AG**

Responsible for Strategy, Production, Research and Development, Marketing and Sales as well as Investor Relations.

Dr. med. Eberhard F. Lampeter founded the first private umbilical cord blood bank in Europe - VITA 34 in Leipzig - in 1997. He was Director of the Early Detection Center at the Diabetes Research Institute of the University of Duesseldorf from 1990 to 1997, following a previous position at the hospital in Munich-Schwabing. He has published some 50 scientific papers on diabetes, immunology and stem cell transplantation.

**Dipl.-Wirtschaftsingenieur Jörg Ulbrich - CFO**  
**Management Board of VITA 34 AG**

Responsible for Finance and Controlling, Administration and IT.

Jörg Ulbrich has been a member of the VITA 34 Management Board since 2009. Before that he was Commercial Director with procura power at VITA 34 AG for many years. He has worked for the company since 1997 and was significantly involved in building VITA 34.



## FINANCIAL CALENDAR 2011

April 18, 2011	Publication of Q1 Report
May 11, 2011	Munich Capital Market Conference
May 16, 2011	Publication of Shareholders Letter [Aktionärsbrief]
July 12, 2011	Annual General Meeting
July 18, 2011	Publication of Q2 Report
October 17, 2011	Publication of Q3 Report
November 22, 2011	German Equity Forum
March 2012	Publication of Annual Report 2011

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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, 14001 and OHSAS 18001. The cellulose and paper plants of the manufacturer are certified in accordance with FSC and PEFC 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 October 17, 2011 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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