Cryo-Save Group N.V.

(*a limited liability company incorporated under the laws of the Netherlands with its corporate seat in Zutphen*)

Introduction and admission to listing and trading of shares on Euronext Amsterdam by NYSE Euronext

We are Europe's largest adult stem cell storage bank, with more than 115,000 samples stored. Established in 2000 and with our corporate seat in the Netherlands, we have, or have access to, processing and storage facilities in Belgium, India, Dubai and Germany. Our services are available in 38 countries across three continents (Europe, Asia, Africa).

In this document (the "**Prospectus**"), the "Company", "Cryo-Save", "we", "our", "us" and similar terms refer to Cryo-Save Group N.V. and, where appropriate, its subsidiaries. Any reference to "shares" shall refer to shares of Cryo-Save Group N.V. outstanding from time to time.

We shall apply for admission to listing and trading on Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam**"), the regulated market of Euronext Amsterdam N.V. ("**Euronext**"), for all of our existing shares with a nominal value of €0.10 per share (the "**Euronext Amsterdam Listing**"). It is expected that the Euronext Amsterdam Listing will become effective and that dealings in our shares on Euronext Amsterdam will commence on 22 October 2009 (the "**Euronext Amsterdam Listing Date**") under the symbol CRYO. On Euronext Amsterdam, our shares shall be quoted in euro. Since 6 November 2007, our shares have been admitted to trading on the AIM market of the London Stock Exchange under the symbol CRYO (the "**AIM Quotation**"). On AIM, our shares are quoted in pounds sterling. We intend to review the need to maintain our AIM Quotation in early 2010. Our shares have the ISIN Code NL0009272137.

Following the close of trading of our shares on AIM on 7 October 2009 our shares were consolidated and redenominated by means of an amendment of our articles of association (the "**Share Consolidation**"). As a consequence, for every five shares with a nominal value per share of €0.02 held by a shareholder immediately prior to close of trading on 7 October 2009, a shareholder held one share with a nominal value of €0.10 immediately following the Share Consolidation.

Our business and any investments in our shares involve certain risks. These risks are described under "Risk Factors" beginning on page 11 of this Prospectus.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of our shares or any other securities issued by us.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe any restrictions. Our shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be offered or sold except pursuant to registration under the Securities Act or pursuant to an available exemption or safeharbour there from.

Application has been made for our shares to be accepted for settlement through the book-entry facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**"). Trades in our shares on Euronext Amsterdam shall settle via Euroclear Nederland, whereas trades in our shares on AIM shall settle via CREST by delivery of depositary interests representing the shares traded.

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC (the "**Prospectus Directive**") and has been prepared pursuant to Article 5:2 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht* (the "**Financial Supervision Act**")) and the rules promulgated there under. This Prospectus has been approved by and filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten,* "**AFM**").

The date of this Prospectus is 13 October 2009.

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Summary

This section constitutes the summary of the Prospectus pursuant to Article 5:14 of the Financial Supervision Act. It provides an overview of selected information contained elsewhere in this Prospectus and should be read as an introduction to this Prospectus. Any decision to invest in our shares should be based on consideration of this Prospectus as a whole. You should carefully read the Prospectus in its entirety before deciding whether to invest in our shares, including the information discussed under "Risk Factors" beginning on page 11, our consolidated financial statements and the notes thereto that are incorporated by reference in this Prospectus and our unaudited condensed consolidated interim financial statements 2009 and notes thereto which are included in this Prospectus starting on page F-2.

Under laws in effect in the states within the European Economic Area, no civil liability will attach to us in respect of this summary, or any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a state within the European Economic Area, the plaintiff investor may, under the national legislation of the state where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Summary of our business

Introduction

We are a profitable healthcare services group whose business focuses on the collection, processing, preservation and storage at birth of human adult stem cells collected from the umbilical cord blood and of the cord itself. Founded in 2000 in the Netherlands we currently trade in 38 countries, principally in Europe. We have two processing and storage facilities (Niel, Belgium and Bangalore, India) and have access to another two such facilities (Dubai, UAE and Mannheim, Germany) where we have to date stored in excess of 115,000 stem cell samples, which we estimate represents approximately 50% of the total cord blood stem cell samples stored in Europe. Mid 2008, we were the first to introduce the service of storage of the umbilical cord tissue and have stored more than 2,500 umbilical cords to date. We are the largest adult stem cell storage group in Europe based on stored samples. In 2008, we had annual revenues of €29.5 million and profit before taxation of €2.9 million.

Our services allow parents and guardians to collect and cryogenically preserve a child's stem cells contained in the blood of the umbilical cord, or to collect and preserve the cord itself, so that they may be used in medical therapies if the child so requires during his or her lifetime. Samples are taken immediately following birth and once collected are delivered to our laboratories for processing, analysis and storage. Samples are stored in the gas phase of liquid nitrogen using sophisticated biological storage techniques. The storage is monitored under laboratory conditions for a minimum of 20 years. After 20 years the child is offered the opportunity to continue with the storage and, on payment of a further fee, may store their sample for the rest of their life. The collection of adult stem cells from the umbilical cord is widely considered to be non-invasive, simple and safe.

Key strengths

We believe that our key strengths are:

- we are profitable, cash generative and have a strong cash position;
- our track record of sustainable growth of our sales and results;
- our international reach, which is supported by the number of jurisdictions in which we hold the relevant approvals for the collection of stem cells;
- our position as Europe's leading adult stem cell storage business;
- that we employ many skilled scientists and the largest sales force team of any stem cell organisation in Europe;
- the size and scale of our state-of-the-art processing and storage facilities; and
- the growth opportunities arising from our new service offerings.

Our services

Our core business is Cryo-Cord which involves the provision of materials and standard operating procedures for (i) the collection, processing, preservation and storage of haematopoietic stem cells (HSCs) taken from the umbilical cord blood, as well as (ii) the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSCs), the latter being a new feature we added to our Cryo-Cord service in June 2008 in addition to, and separate from, the collection of HSCs taken from the cord blood. We are currently developing a new service, Cryo-Lip, which we intend to introduce to the market in the first half year of 2010. Cryo-Lip involves the collection, processing, preservation and storage of fat tissue containing MSCs obtained via liposuction from adults. In addition, we are looking to develop other sources of income which are based on cryopreservation techniques and processes.

Strategy

Our strategy is built on the following elements:

- Developing existing markets - Due to the nascent state of the industry, we believe that there is still a considerable growth potential in the European markets in which we are already operating and we will continue to develop our position in these existing markets.
- Geographic growth into new markets
    - European markets — we are well placed to take advantage of the opportunities presented especially by Eastern European markets which have emerged and where consumer spending has increased over the last few years, making stem cell storage a service that can be exploited commercially. We are also well positioned to benefit from changes in legislation in selected other European countries where private stem cell storage is contemplated but currently prohibited.
    - Emerging markets — such as Russia, Turkey, Asia, and South America where stem cell storage is still a comparatively unknown process, are being targeted by us.
- Growth by acquisition – Whilst we are seeking to develop our existing business through organic growth, we are also actively seeking opportunities to broaden our service offering and to extend the geographic reach of existing services through the acquisition of businesses that

are considered to be a good fit with our culture, ethics and standards.

- Development of new services

    - Cryo-Lip: we intend to introduce this new service in the market in the first half year of 2010 and we believe it will offer significant potential markets in the future.

    - Cryo-Preservation: we are investigating in-house the (potential) application of cryopreservation to other services and processes by expanding our cryopreservation know how and facilities. This might result in the introduction of new services in the mid term.

    - Other services will continue to be developed, assessed and launched in line with our proven research and development policy.

Main risks

- We are subject to changes in regulation and legislation and may not be able to continue to meet regulatory requirements, or to obtain or maintain regulatory licences and authorisations in the future

- We are exposed to the risk of an increased level of regulation

- We are highly dependent upon market perceptions and our business could be adversely affected if we or our brands are subject to negative publicity

- Ethical issues may affect the market we operate in and the acceptance of our services

- There may be alternative sources for stem cells

- We are dependent on the market acceptance of our services and of the successful use of stem cells for treating diseases

- Our existing technologies and systems may become obsolete and we may not be able to keep pace with technological change

- We operate in a competitive market and may not be able to compete successfully

- We are dependent on effective management of our operations

- We are subject to acquisition risks and may not be able to identify, complete and integrate suitable acquisitions successfully

- We are reliant on a relatively small number of key markets and there is no assurance that we will be able to reduce this reliance by building businesses in new markets

- We may be exposed to risks relating to patents and other intellectual property rights

- Our activities expose us to potential liability and professional indemnity risks and there is no insurance cover available for every risk we face

- We are exposed to credit risks on certain clients and partners

- Our operations are subject to environmental and safety laws and regulations which could lead

to substantial compliance costs or otherwise negatively affect us in the future

- Historically we have not registered as a data controller or data processor and believe we have not been fully compliant with data protection legislation
- In order to reduce integrity risks and improve security, our data base application is currently being strengthened and may in the future require further amendment and strengthening
- We are dependent on the proper operation of our management information systems, including our computer systems
- We are subject to numerous operating risks including interruptions to transport, water or power supplies, environmental hazards, technical failures, fires, explosions and other accidents at a facility or elsewhere
- Our success depends to a certain extent on the continued services of our core senior management team
- We are reliant on Biosafe AG for the supply of equipment and disposables (processing kits) for cord blood samples, and on certain other third parties, such as our agency and distribution partners and parties to whom we outsource certain non-core activities.
- We are reliant on key contracts and business relationships to achieve our growth as planned
- We are subject to the risk of additional taxes being assessed as a result of new legislation, tax litigation or an audit, or if the tax treatment should change as a result of changes in tax laws
- Our accounting judgments and estimates may cause material adjustment to the carrying amounts of assets and liabilities in our financial statements
- Our ability to pay distributions to shareholders will depend to a degree on the earnings and cash flow of our subsidiaries and their ability to pay distributions and to transfer funds to us
- Market conditions, particularly those affecting healthcare companies, may affect the ultimate value of our share price regardless of operating performance, and given the international nature of our business, we are subject to a number of political, regulatory and trade risks
- We are subject to currency and exchange rate risks
- Legal proceedings may arise in the course of our business and we cannot preclude the possibility of litigation being brought against us
- Countries that we operate in may have a range of legal systems, some of which may be less developed legal systems than those in jurisdictions with more established economies
- We may not be able to raise funding for our envisaged future expansion
- Certain members of our Board of Directors own a significant number of our shares, which enables them to have significant influence over us
- Our liquidity on AIM may decrease and there may not be a liquid market for our shares on Euronext Amsterdam
- The share price of healthcare companies such as us can be extremely volatile

- The securities laws of certain jurisdictions may restrict our ability to allow shareholders to participate in offerings of our securities and to exercise pre-emption rights

- If securities or industry analysts do not publish research or reports about our business, or if they change their recommendations regarding our shares adversely, the price and trading volume of our shares could decline

The Euronext Amsterdam Listing

Company	Cryo-Save Group N.V., a public company with limited liability incorporated under the laws of the Netherlands with its corporate seat in Zutphen, the Netherlands.
Shares outstanding	Following the close of trading of our shares on AIM on 7 October 2009 the Share Consolidation was effected and our shares were consolidated and redenominated by means of an amendment of our articles of association. As a consequence, for every five shares with a nominal value per share of €0.02 held by a shareholder immediately prior to close of trading on 7 October 2009, a shareholder held one share with a nominal value of €0.10 immediately following the Share Consolidation. On the Euronext Amsterdam Listing Date, we shall have 9,639,191 shares with a nominal value of €0.10 per share and 31 sub shares (*onderaandelen*) with a nominal value of €0.02 per sub share outstanding (on the sub shares, see also "Description of Share Capital and Corporate Governance – Share Capital – Sub shares"). Of these shares we hold 424,000 shares in treasury representing approximately 4.4% of our issued share capital. We are not offering new shares in the context of, or concurrently with the Euronext Amsterdam Listing becoming effective.
Share ownership	To the best of our knowledge, at the date of the this Prospectus the following parties hold 5% or more of our shares: Mr. J.P.G. Goossens, Mr. M.J. Waeterschoot, Mineworkers' Pension Scheme and British Coal Staff Superannuation Scheme (See "Major Shareholders").
Euronext Amsterdam Listing Date	Expected to be 22 October 2009.
AIM Quotation	Since 6 November 2007, our shares have been admitted to trading on the AIM market of the London Stock Exchange under the symbol CRYO. We intend to review the need to maintain our AIM Quotation in early 2010. On AIM, our shares are quoted in pounds sterling, whereas on Euronext Amsterdam our shares

	shall be quoted in euro.
Dividends	All shares rank equally and are eligible for any future dividend.
Voting Rights	Holders of our shares will be entitled to one vote per share at General Meetings (see "Description of Share Capital and Corporate Governance – General Meeting and voting rights").
Taxation	Any dividends paid on our shares will generally be subject to Dutch withholding tax (see "Taxation – Withholding tax").
Share Trading Information for shares traded on Euronext Amsterdam	ISIN Code NL0009272137 Euronext Amsterdam Symbol: CRYO Trades in our shares on Euronext Amsterdam shall settle via Euroclear Nederland (See "Euronext Amsterdam Listing and AIM Quotation – Euronext Amsterdam Listing").
Share Trading Information for shares traded on AIM	ISIN Code NL0009272137 SEDOL B4TBMF0 AIM Symbol: CRYO Trades in our shares on AIM shall settle via CREST by delivery of depositary interests representing the shares traded (See "Euronext Amsterdam Listing and AIM Quotation – AIM Quotation").

Corporate Information

Cryo-Save Group N.V. is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands with its corporate seat in Zutphen and registered with the Trade Register of the Chamber of Commerce for the Eastern Netherlands under number 27187482. Our business address is IJsselkade 8, 7201 HB Zutphen, the Netherlands. Our websites are www.cryo-save.com and www.cryo-savegroup.com.

Summary Consolidated Financial Information

The tables below sets out our summary consolidated financial data as at the dates and for the periods indicated.

Our summary consolidated financial data for the years ended 31 December 2008, 2007 and 2006 set out below should be read in conjunction with "Operating and Financial Review", and our audited consolidated financial statements and notes thereto which are incorporated by reference in this Prospectus. Our summary consolidated financial data for the six months ended 30 June 2009 set out below should be read in conjunction with "Operating and Financial Review", and our unaudited condensed consolidated interim financial statements 2009 and notes thereto which are included in this Prospectus starting on page F-2.

The year-end consolidated financial data is extracted from our audited consolidated financial statements as at and for the years ended 31 December 2008, 2007 and 2006 that have been audited by KPMG Accountants N.V. (2008 and 2007) and by Kropff & Partners (2006), independent auditors. The six-month consolidated financial data is extracted from our unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009. KPMG Accountants N.V. has reviewed the unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009. The comparative financial information as at and for the six month period ended 30 June 2008 has not been reviewed. The results as at and for the six months ended 30 June 2009 are not necessarily indicative of results for the full year.

*Our consolidated financial statements and accounts from which the summary consolidated financial data set out below have been derived were prepared in accordance with International Financial Reporting Standards as adopted by the European Commission for use in the European Union ("**IFRS-EU**"). Our condensed consolidated interim financial statements and accounts from which the summary consolidated financial data set out below have been derived were prepared in accordance with International Accounting Standard 34 as adopted by the European Commission for use in the European Union.*

Our summary consolidated financial data set out below may not contain all of the information that is important to you.

Summary Consolidated Income Statement Data

	Six months ended 30 June (unaudited)		Year ended 31 December (audited)		
	2009	2008	2008	2007	2006
	(€ in thousands)				
Revenue	18,622	12,235	29,485	17,706	10,923
Profit for the period	928	1,656	2,568	3,883	2,045
Profit attributable to equity holders of the Company	928	1,656	2,568	3,883	2,039
Profit attributable to minority interests	-	-	-	-	6
Earnings per share (€ cents) – basic[(1)]	2.0	3.5	5.5	10.3	28.7
Earnings per share (€ cents) – diluted[(1)]	2.0	3.5	5.5	10.3	28.7

(1) Adjusted for the Share Consolidation for the six months ended 30 June 2009 and 2008, 10.0 and 17.5 euro cents per share with a nominal value of €0.10 respectively, and for the years ended 31 December 2008, 2007 and 2006, 27.5, 51.5 and 28.7 euro cents per share with a nominal value of €0.10 respectively.

Summary Consolidated Statement of Cash Flows Data

	Six months ended 30 June (unaudited)		Year ended 31 December (audited)		
	2009	2008	2008	2007	2006
	(€ in thousands)				
Net cash from operations	3,363	774	1,876	4,721	1,551
Net cash from operating activities	2,586	1,524	2,036	4,733	1,443
Net cash (used in)/generated by investing activities	(2,379)	(23,073)	(33,728)	(2,792)	(116)
Net cash generated by/(used in) financing activities	4,036	(3,016)	(3,062)	34,339	(16)
Net increase/(decrease) in cash and cash equivalents	4,243	(24,565)	(34,754)	36,280	1,311

Summary Consolidated Balance Sheet Data

	As at 30 June (unaudited)	As at 31 December (audited)		
	2009	2008	2007	2006
		(€ in thousands)		
Total assets	71,514	64,148	51,914	10,249
Total non-current assets	53,054	49,803	3,768	815
Total equity attributable to equity holders of the parent	43,464	43,053	42,921	4,612
Minority interests	-	-	-	35

Risk Factors

An investment in our shares involves certain risks. Accordingly, before deciding whether to invest in our shares, prospective investors should carefully consider the risks described below together with all the other information contained in this Prospectus. If any of the following risks actually occur, our business, financial condition and/or results of operations could be materially and adversely affected. In such a case the trading price of our shares could decline and investors may lose all or part of their investment.

The risks and uncertainties described below are a list of risks and uncertainties currently known to us and which we deem material. Additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may also have an adverse effect on our business, financial condition and/or results of operations and could negatively affect the price of our shares. All these factors are contingencies which may or may not occur. We may face one or more of the risks and uncertainties described below simultaneously.

Developments in regulatory laws

Our activities are highly regulated. We rely on regulatory expertise to ensure our operations, including our processing facilities and services meet regulatory requirements. New laws passed either at a national or European government level affecting our stem cell collection and storage business are being brought into force in Europe. Some European countries have had difficulties implementing these new laws, have missed implementation deadlines and/or are unlikely to meet future deadlines. This may cause difficulties and uncertainty for us, our partners and others who operate associated or similar businesses. Furthermore, the laws governing stem cell research are in development in many jurisdictions and may continue to develop further and regulation may increase. Other developments in regulatory laws may also have a material adverse effect on our financial position and/or business, which is partly based on private storage of stem cells and processing, preservation and storage of stem cells outside the country of collection being allowed under regulatory laws.

Although we continue to monitor these changes in law, there can be no assurance that the services will continue to meet regulatory requirements, that regulatory licences and authorisations can be obtained or maintained in the future.

We may need to devote significant resources to ensure that we comply with relevant regulatory laws in the jurisdictions in which we operate our business and developments in regulatory requirements may also require us to change operations significantly which could have an adverse effect on our results of operations or financial condition.

Changes in legislation

The legislation which relates to the use of stem cells for research and therapy is, in many jurisdictions, currently being developed and there is a risk that the level of regulation may increase.

Changes in government legislation and regulation may have a significant effect on the market appetite for our services and the revenues that we are able to generate.

Market perceptions and negative publicity

Our business is highly dependent upon market perceptions of us, our brands and the safety and quality of our services. Our business could be adversely affected if we or our brands are

subject to negative publicity. We could also be adversely affected if any of our services or any similar services distributed by other companies prove to be, or are asserted to be, harmful to consumers.

Ethical issues

Our operations concern stem cells obtained from the umbilical cord or cord blood, considered as adult stem cells. We are not engaged in any activity with embryonic stem cells. Public perception does not always make a clear distinction between adult and embryonic stem cells. There are significant ethical, legal and social implications of embryonic research and, should stem cell research become the subject of adverse commentary and publicity, this may adversely affect acceptance of, and the market for, our services.

Alternative sources for stem cells

It is possible to collect stem cells from other bodily sources than the umbilical cord blood or the umbilical cord tissue. In the event that it appears that such cells have the same or better therapeutic quality as stem cells collected from the umbilical cord blood or tissue and/or if it would be cheaper or otherwise more effective to collect, process, preserve or store such cells, we may be put at a competitive disadvantage and our business and/or financial position may be materially and adversely affected.

Acceptance of services

The commercial success of our services is dependent on market acceptance which depends in part on our ability to demonstrate their relative safety, quality, efficacy and ethical practices.

In addition, market acceptance may be affected by the success (or lack thereof) of research into, and the use of, stem cells for treating disease and hence the perceived benefits of stem cell storage. Similarly, changes in attitudes towards forms of treatment amongst clinicians or patients may adversely affect the commercial prospects and success of our services. Clinicians may be slow to change their medical treatment practices because of the perceived risk of liability arising from the use of new services. Any failure to gain market acceptance of our services could adversely affect the sales of our services and our ability to remain profitable.

Technology risk

If new technologies will be introduced, or if new standards or practices emerge, our existing technologies and systems may become obsolete. Our future success will depend on our ability to enhance our existing services and our ability to anticipate or respond to technological advances and emerging industry and public sector standards and practices on a cost-effective and timely basis. Developing our technology and product range entails significant technical and business risks. We may use or procure new technologies ineffectively or fail to adapt our systems to customer requirements or emerging industry standards. If we face material delays in introducing new services or improvements, we may be put at a competitive disadvantage.

Competition

Our services may experience competition from the services of other companies which have greater research, development, marketing, financial or personnel resources than we do. Our competitors may be more advanced in the development of their services or have a more powerful brand.

Furthermore, the healthcare industry is highly competitive. Competitors may continue to develop services which directly compete with our services. Competing services could prove to be superior to ours.

We may not be able to compete successfully. This would have a material adverse effect on our financial condition, results of operations and prospects.

Effective management of operations

Our ability to manage our growth effectively will require us to improve our operations and procedures continuously. Any failure to manage our current and planned growth could have a material adverse effect on our business. We may enter into acquisitions, joint ventures and strategic alliances in the future, as we have done in the past. Such acquisitions may require us to incur debt or to make potentially dilutive issues of shares. Acquisitions involve numerous risks relating to integration. Joint ventures present the risk of conflict of interest or strategy, the risk of disputes with the joint venture partner that may negatively impact the joint venture and thus negatively impact us, and the risk that any failure in respect of the contractual obligations of the joint venture could lead to the customer seeking redress from either joint venture partner for the whole amount of its costs and not just in proportion to our participation in the joint venture. If we are unable to manage these risks efficiently, this may have an adverse effect on our business and financial situation.

Acquisition risks

We may make acquisitions in circumstances where we believe that such acquisitions would support our strategy. However, there can be no assurances that we will be able to identify, complete and integrate suitable acquisitions successfully. Acquiring new businesses can place significant strain on management, employees, systems and resources. The acquired businesses may not perform in line with expectations to justify the expense of acquisition. Furthermore, it may not prove possible to achieve the desired level of synergy benefits on integration of new businesses and/or the cost of achieving those benefits may exceed the expected cost.

Concentration risk

At present, the majority of our revenues are attributable to certain key markets. We intend to reduce our reliance on a relatively small number of markets over time but there can be no assurance that we will succeed in expanding existing markets or developing our business into new markets or in decreasing our reliance on these territories. Whilst we have acquired most of the distributors in those territories from which the majority of our revenues are derived, there can be no assurance that we will continue to have successful business relationships with our distributors or that existing customer levels in those territories will be sustained. As a consequence of the differential revenue we derive per unit stored, depending on the territory from which the customer derives, the effect of a drop in customer levels and our financial position and prospects will differ according to the affected territory or territories.

Business development into new markets

To reduce our reliance on a relatively small number of markets over time, and to benefit from opportunities in some new markets, like India and France recently, we will invest in business in new markets. Although these new businesses should comply with our standards and procedures, and they will benefit from best practices in other markets, there is no certainty that customers in these markets will be interested and prepared to acquire our services, and that we will manage to build a sustainable and profitable business in such markets. If we are

unable to manage all of these risks efficiently, this may have an adverse effect on our business and financial situation.

Patents and other intellectual property rights

The ability of our services to compete effectively with those developed by other companies depends, amongst other things, on our ability to obtain, maintain and enforce valid patents and other intellectual property rights. No assurance can be given that any patent application will proceed to grant or that any granted patent will be enforceable. Even if enforceable, such patents may not be sufficiently broad in their scope to provide commercially valuable protection for our services. Our methods and policies for protecting unpatented confidential information, including proprietary know-how, concepts and documentation of proprietary technology may not afford us complete protection, and there can be no assurance that others will not obtain access to unpatented information. The costs associated with enforcement against a third party infringing our rights may be substantial, and the outcome of any associated litigation may be uncertain. This could materially and adversely affect our business and/or financial position.

We may acquire in-licensed intellectual property rights in the future. There can be no assurance that such intellectual property rights are, or will be, free from the rights and interests of other third parties or that such other third parties will not challenge our rights in or to such intellectual property. Where registered intellectual property rights are licensed to us, but not maintained by us, there can be no assurance that the licensor will adequately maintain and protect the underlying intellectual property rights in which we have an interest. Any other third party interests, or any failure by a licensor to maintain and protect underlying intellectual property rights, could materially and adversely affect our business and/or financial position.

The commercial success of our services will also depend upon non-infringement of patents and other intellectual property rights owned by others. Third parties may have filed applications or may have obtained, or may obtain, patents or other intellectual property rights which might inhibit our ability to develop and exploit our own services. Third parties may allege our infringement of their intellectual property rights. The costs associated with the defence of such claims may be substantial, we may endure a long period of uncertainty regarding the outcome and there can be no assurance that we will be successful. We may need to develop or obtain alternative technologies or reach commercial terms on the licensing of other parties' intellectual property rights. There can be no assurance that we will be able to develop or obtain such alternative technology or be able to licence third parties' intellectual property rights on commercially acceptable terms or at all. This could materially and adversely affect our business and/or financial position.

In addition, third parties may allege our infringement of their intellectual property. Even if we are ultimately able to successfully defend ourselves against such allegations, the costs, and the disruption and negative publicity associated with the defence of such allegations may be significant and we may endure a long period of uncertainty regarding the outcome of such allegations.

Product liability and insurance

Our activities expose us to potential liability and professional indemnity risks. We plan to continue to insure our operations in accordance with industry practice and plan to insure the risks we consider appropriate for our needs and for our circumstances. Insurance cover will not be available for every risk we face. Although we believe that we should carry adequate insurance with respect to our operations in accordance with industry practice, in certain circumstances our insurance may not cover or be adequate to cover the consequences of all

such events. The occurrence of an event that is not covered or fully covered by insurance, such as loss of or damage to samples in relation to which we do not have insurance coverage, could have a material adverse effect on our business, financial condition and results of operations. In addition, there is a risk that insurance premiums may increase to a level where we consider it is unreasonable or not in our interests to maintain insurance cover or to a level of coverage which is not in accordance with industry practice. We also may, following a cost-benefit analysis, elect not to insure certain risks on the ground that the amount of premium payable for that risk is excessive when compared to the potential benefit to us of the insurance cover. If we are not able to adequately protect ourselves against potential liability claims, we may find it difficult or impossible to secure commercialisation of our services.

Credit risk

We offer services to our clients in certain countries with the possibility to pay the fees through instalments. The credit risks on these instalments have been and will continue to be borne by us. It is not impossible that these credit risks may increase in the future, which could have a material adverse effect on our business and/or financial results.

We invoice our partners in some cases, in relation to the services we have provided over a period of time. We are therefore subject to a greater credit default risk.

Environmental, health and safety regulations

Our operations, including our facilities, are subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with these and similar future regulations could be substantial. Although we believe that our procedures comply with applicable regulations, the risk of accidental contamination or injury from such materials cannot be eliminated. In the event of an incident, the resulting liabilities could have an adverse impact on us. Similarly, many of our suppliers, collaborators and customers are subject to similar laws and regulations. Contravention of these laws and regulations by such groups could have an adverse impact on us.

Although compliance with these laws, regulations and permits have not had a material adverse effect on our results of operations or financial condition to date, such laws and regulations are subject to change and we are unable to predict the ultimate cost of compliance. Such costs could result in price increases for our services which could in turn have an adverse effect on our revenues. There can be no assurance that the cost of complying with present or future laws or regulations will not adversely affect our results of operations or financial condition.

The possibility exists that new legislation or regulations may be adopted that may materially adversely affect our operations, our cost structure or our customers' ability to use the commodities in which we specialise. New legislation or regulations may also require us to change operations significantly or incur increased costs which could have an adverse effect on our results of operations or financial condition.

Data protection and data base

Historically we have not registered as a data controller or data processor and believe we have not been fully compliant with data protection legislation. This could result in actions against us or fines being imposed on us which could have a material adverse effect on our business, results of operations and/or financial condition. We intend to rectify these breaches in respect of future activities.

Our data base application was developed at a time when our operations where significantly smaller than they are now. Although we feel that the data base application still meets the basic requirements, the functionality of the application and the underlying technical infrastructure is currently being strengthened in order to reduce integrity risks and improve security, and may in the future require further amendment and strengthening, which may require us to change the application or our operations significantly or incur increased costs which could have an adverse effect on our results of operations or financial condition.

Dependence upon IT systems

Our ability to maintain financial controls and provide a high-quality service to clients depends, in part, on the efficient and uninterrupted operation of our management information systems, including our computer systems. Our computer systems may be vulnerable to damage or interruption from fire, telecommunications failure and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct. Any damage to or failure of the systems could result in interruptions to our financial controls and/or customer service. Such interruption could have a material adverse effect on our business, results of operations and/or financial condition.

Operational considerations

We are subject to numerous other operating risks which include: climatic conditions such as flooding or drought; interruptions to transport, water or power supplies; industrial action or disputes; environmental hazards; and technical failures, fires, explosions and other accidents at a laboratory, cargo terminal, port or related facilities. These risks and hazards could result in damage to, or destruction of samples, properties, processing facilities or storage facilities, may reduce or cause operations to cease at those properties, processing facilities or storage facilities, may result in personal injury, environmental damage, business interruption and possible legal liability and may result in actual processing differing from estimates of processing.

While we have insurance covering various types of business interruptions in respect of our operations, such insurance may not fully cover the consequences of such business interruptions and, in particular, may not cover interruptions arising from all types of equipment failure. There can be no assurance that operating risks and the costs associated with them will not adversely affect our results of operations or financial condition. Although we maintain insurance, the insurance does not cover every potential risk associated with our operations and meaningful coverage at reasonable rates is not obtainable for certain types of environmental hazards. In particular, we have no insurance coverage in relation to lost or damaged samples. The occurrence of a significant adverse event, the risks of which are not or not fully covered by insurance, could have a material adverse effect on our results of operation or financial condition.

Dependence on key personnel

Our success depends to a certain extent on the continued services of our core senior management team. If one or more of these individuals were unable or unwilling to continue in his or her present position, our business could be disrupted and we might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding and hiring such replacements could be costly and might require us to grant significant equity awards or other incentive compensation, which could adversely impact our financial results.

Reliance on Biosafe AG (CH)

We are reliant on Biosafe AG for the supply of equipment and disposables (processing kits) for cord blood samples. We are and will continue to be reliant on Biosafe AG for the successful commercialisation of the services we provide for cord blood. There can be no assurance that Biosafe AG will continue to produce the equipment or processing kits or that we will be able to ensure a continued processing kit supply at current prices beyond the term of the relevant contract. In order to mitigate this reliance on Biosafe AG, we carry a one month stock of processing kits and have validated an equipment and processing kit manufactured by an alternative qualified supplier that can be implemented on relatively short notice. However, we will remain reliant on third parties for equipment and processing kits manufacture and their ability to procure their manufacture in a manner which is timely, cost-effective and meets regulatory requirements.

Reliance on agency and distribution partners

Our strategy is to use agency and distribution partners to assist in commercialising the services we provide in a number of markets. Therefore, we are, and will continue to be, reliant on third parties for the successful commercialisation of our services. There can be no assurance that we will be able to retain our existing partners or to secure new partners or that, once secured, such partners will continue to commit the necessary efforts and resources to achieve commercial success. Our ability to penetrate the markets that they serve is highly dependent upon the level of customer service provided by our agency and distribution partners, which may change from time to time, and over which we do not have control.

Reliance on other third parties

Our strategy is to focus on our core activities, covering collection, processing, preservation and storage of stem cells present in human tissue samples for potential future therapeutic use. Non-core activities are preferentially outsourced to appropriately accredited third parties. For example, viral safety testing is currently outsourced to an ISO EN 15189 accredited facility in Germany. Although we maintain business relationships with other properly accredited businesses in case the relationships with the third parties we have currently outsourced non-core activities to, may terminate or deteriorate, we remain dependent on these third parties and termination of our current relationships, or deterioration of the terms thereof could affect our business and/or financial position.

We have entered into, and may in the future enter into, research and development collaborations with third party organisations such as universities and other academic institutions. If these parties do not successfully carry out their contractual or regulatory obligations, our research may be unsuccessful and we may be unable to develop and commercialise any service derived from the research. In addition, the research and development may be extended or delayed or be more costly than originally planned.

In addition, we are reliant on key contracts and business relationships to achieve our growth as planned. We are also reliant on third parties to provide essential contracting services. While we have no reason to believe otherwise, there can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to our future business, operating results and profitability.

Taxation

Significant judgement is required in determining our provisions for tax liabilities, amongst others corporate income tax and value added tax (VAT). In the ordinary course of business, there are many transactions, including inter-company transactions, where the ultimate tax determination is uncertain. Additionally, our calculation of the tax liabilities is based in part on our interpretations of applicable tax laws in the jurisdictions in which we operate. Although we believe our tax estimates are reasonable, there is no assurance that the final determination of our tax liabilities will not be materially different from what is reflected in our statement of income and related balance sheet accounts. Should additional taxes be assessed as a result of new legislation, tax litigation or an audit, if the tax treatment should change as a result of changes in tax laws, or if we were to change the locations in which we operate, there could be a material effect on our results of operation or financial condition.

Non guarantee of tax treatment

The information in this Prospectus is based on existing taxation legislation. There is no guarantee that the tax treatment as described in this Prospectus will continue to apply. Any changes to tax legislation may have an adverse effect on our tax status and our financial results. Any changes may also affect the return on an investors' investment in us and result in changes in personal tax rates and tax relief.

Accounting judgments and estimates

In relation to the preparation of our financial statements we make estimates and assumptions concerning the future in relation to, for example, the valuation of goodwill and intangible assets. Although we believe that our accounting estimates and judgments are reasonable, there is no assurance that material adjustments to the carrying amounts of assets and liabilities in our future financial statements will not be required.

Dividends

Our ability to pay distributions to shareholders will depend to a degree on the earnings and cash flow of our subsidiaries and their ability to pay distributions and to transfer funds to us. Other contractual and legal restrictions could also limit our ability to obtain cash from our subsidiaries. If there are changes to accounting standards or to the interpretation of accounting standards, this could have an adverse impact on our ability to pay dividends. Our right to participate in any distribution of our subsidiaries' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including lenders and trade creditors.

The Chapter "Taxation" provides details in relation to taxation for Dutch residents of dividends and other distributions. Any change in the tax treatment of dividends, distributions or interest we received may reduce the level of yield received by shareholders.

General economic conditions

Market conditions, particularly those affecting healthcare companies, may affect the ultimate value of our share price regardless of operating performance. Market perception of healthcare companies may change which could have an impact on the value of investors' holdings and impact on our ability to raise further funds by an issue of further shares or by borrowing. Given the international nature of our business, we are subject to a number of political, regulatory and trade risks, including:

- restrictions on the repatriation of capital, in particular regulations relating to transfer pricing and withholding taxes on payments made by subsidiaries and joint ventures;

- unexpected regulatory reforms;

- customs duties, export controls and other trade barriers;

- longer account receivable payment cycles and difficulties in collecting accounts receivable in certain countries;

- limited legal protection of intellectual property rights in certain countries; and

- social and political instability (in particular strikes and work stoppages).

We cannot guarantee that we will be able to manage these risks, many of which are outside our control, or that we will be able to ensure compliance with applicable regulations without incurring additional costs.

In addition, there are a number of macroeconomic factors and local political and economic risks that could affect future demand and/or our ability to complete existing projects or convert potential prospects into binding commitments. These include the current or a general future downturn in the world economies (potentially exacerbated by the so called "credit crunch" and the instability of conflicts around the world, especially those along religious lines) possible further interest rate rises, and increases in inflation in the economies within which we trade. We could also be affected by unforeseen events beyond our control, including, natural disasters, climatic extremities around the world, terrorist attacks and political unrest and/or government legislation or policy.

Currency risk

Our expected revenue will generally be generated in numerous currencies and our expenses will be payable in local currencies of operation. The income in any one currency may not necessarily match the expenses in that currency. Consequently the exchange rates between the various currencies will have an impact on our expected new orders, revenues and earnings and are affected by numerous factors beyond our control. These factors include local economic conditions and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on our financial results and standing, plans and activities and our ability to fund those plans and activities.

Exchange rate risk

As a consequence of the international nature of our business, we are exposed to risks associated with changes in foreign currency exchange rates. We present our consolidated financial statements in Euros. Movements to translate foreign currencies into the Euro may have a significant impact on our results of operations, financial position and cash flows from year to year.

Litigation risks

Legal proceedings may arise in the course of our business. We cannot preclude the possibility of litigation being brought against us. Claimants may be able to devote substantially greater financial resources in relation to any litigation proceedings and we may not succeed in defending any claims brought against us. Any such litigation, whether or not

determined in our favour or settled by us, could be costly and may divert the efforts and attention of our management and other personnel from normal business operations.

Legal systems

Countries that we operate in may have a range of legal systems, some of which may be less developed legal systems than those in jurisdictions with more established economies which may result in risks such as:

- effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation or in an ownership dispute, being more difficult to obtain;
- a higher degree of discretion on the part of governmental authorities;
- the lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- the relative inexperience of the judiciary and courts in such matters.

There can be no assurance that we, joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the effect of applicable laws (which may affect the validity of provisions in our contractual arrangements or lead to the incorporation of mandatory terms or rights not explicitly agreed), the actions of government authorities or others and the effectiveness of and enforcement of such arrangements.

Raising of future funds and growth

We will consider all options available to us in relation to the funding of our envisaged future expansion. If further issues of equity are considered to be the most suitable means of raising funds, the newly issued shares may reduce the percentage of ownership of the then current shareholders and may also have rights that are senior to those of such shareholders. Furthermore, there are no assurances that this funding will in fact be available or that it will be available on terms favourable to shareholders. If we wish to use borrowings to make future investments, there can be no certainty that we will be able to put in place debt facilities on acceptable terms or indeed at all. The use of further borrowings would increase our exposure to capital risk and interest costs. Where the associated interest costs prove to be greater than income and gains earned on investments made using these borrowings, our revenue could be adversely affected and may even result in erosion of capital.

Share concentration

Mr. Johan Goossens, our Chairman of the Board of Directors holds 16.7% of our shares including our treasury shares and 17.5% excluding our treasury shares, Mr. Marc Waeterschoot, our Chief Executive Officer, holds 16.5% of our shares including our treasury shares and 17.3% excluding our treasury shares. Other major shareholders also own a significant number of our shares (see "Major Shareholders"). Accordingly, these shareholders have significant influence over the outcome of corporate actions requiring shareholder approval, including the election of members of our Board of Directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transaction. These shareholders could delay or prevent a change of control of our Company, even if such a change of control would benefit our other shareholders. The

significant concentration of share ownership may adversely affect the trading price of our shares due to investors' perception that conflicts of interest may exist or arise.

Dual listing

As a listed company on Euronext Amsterdam, we will incur increased costs associated with investor relations and public company reporting requirements in the Netherlands, as well as the listing costs. No assurance can be given that on Euronext Amsterdam a liquid market in our shares will develop. As a result of the Euronext Amsterdam Listing, the liquidity of our shares on AIM may decrease. The price of our shares, or the market in our shares, may be affected by the fact that on AIM our shares are quoted in pounds sterling, whereas on Euronext Amsterdam they shall be quoted in euro, and by possible differences in trading hours and trading days between AIM and Euronext Amsterdam.

Share price volatility and liquidity

The share price of healthcare companies can be extremely volatile. The price of our shares will be influenced by a large number of factors, some specific to us and our operations, some of which may affect healthcare companies generally, and many of which will be outside our control. These factors may include, but are not limited to, results from other healthcare companies which distribute, or otherwise provide, competing products or services, large purchases or sales of shares, changes in the regulatory environment and changes in recommendations of securities analysts. In particular, sales, or the expectation of sales, of substantial numbers of shares by existing significant shareholders or by persons who become significant shareholders may depress the market price of our shares. Any sales of substantial amounts of shares in the public market, or the perception that such sales might occur, could materially adversely affect the market price of our shares.

Exercise pre-emptive rights

In the event of an increase in our share capital, holders of our shares are generally entitled to certain pre-emption rights, unless these rights are excluded by a resolution of the General Meeting or of the Board of Directors, if so designated by the General Meeting or pursuant to our Articles of Association. However, the securities laws of certain jurisdictions, including the United States, may restrict our ability to allow shareholders to participate in offerings of our securities and to exercise pre-emption rights. As a result, shareholders with registered addresses in such jurisdictions, including the United States, may experience dilution of their ownership and voting interests in our share capital.

In addition, we may in the future offer, from time to time, a stock dividend election to shareholders, subject to applicable securities laws, in respect of future dividends. However, subject to certain exceptions, we may not be able to permit shareholders in certain restricted jurisdictions, including the United States, to exercise this election. Accordingly, shareholders in these restricted jurisdictions may be unable to receive dividends in the form of shares rather than cash and, as a result, may experience further dilution.

Analyst coverage

If securities or industry analysts do not publish research or reports about our business, or if they change their recommendations regarding our shares adversely, the price and trading volume of our shares could decline.

The trading market for our shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us or our industry downgrade our shares, the market price of our shares would likely

decline. If one or more of these analysts ceases coverage of us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the market price of our shares or trading volume to decline.

Important Information

No person is or has been authorized to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by us. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities. The delivery of this Prospectus shall not under any circumstances, create any implication that there has been no change in our affairs or that information contained herein is correct as of any time subsequent to the date hereof.

Cryo-Save Group N.V. accepts responsibility for the information contained in this Prospectus. To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

The information included in this Prospectus reflects our position at the date of this Prospectus and under no circumstances should the issue and distribution of this Prospectus after the date of its publication be interpreted as implying that the information included herein will continue to be correct and complete at any later date.

This Prospectus is prepared in relation to, and provides information regarding, our Euronext Amsterdam Listing. It does not constitute an "Admission Document" under the AIM Rules and has not been prepared for the purpose of admitting any shares to trading on AIM.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "Important Information – Presentation of financial and other information – Financial information incorporated by reference").

Notice to investors

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of our shares or any other securities issued by us.

The distribution of this Prospectus in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe any restrictions.

Our shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States. Our shares may not be offered or sold except pursuant to registration under the Securities Act or pursuant to an available exemption or safeharbour there from.

The shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Presentation of financial and other information

Financial information incorporated by reference

The following financial information is incorporated by reference in this Prospectus:

- Our audited annual consolidated financial statements for the financial year ended 31 December 2006 prepared in accordance with IFRS-EU, appearing on pages 1 through 28 of our Consolidated Financial Statements 2006, which comprises of:
    - Consolidated income statements (page 1 of the Consolidated Financial Statements 2006);
    - Consolidated balance sheets (page 2 of the Consolidated Financial Statements 2006);
    - Consolidated statements of changes in equity (page 3 of the Consolidated Financial Statements 2006);
    - Consolidated cash flow statements (page 4 of the Consolidated Financial Statements 2006);
    - Notes to the consolidated financial statements (page 5 through 26 of the Consolidated Financial Statements 2006); and
    - Auditor's report of Kropff & Partners, independent auditors, on the consolidated financial statements (page 27 and 28 of the Consolidated Financial Statements 2006);
- Our audited annual consolidated financial statements for the financial year ended 31 December 2007 prepared in accordance with IFRS-EU, appearing on pages 27 through 48 and page 53 of our Annual Report 2007, which comprises of:
    - Consolidated income statement (page 27 of the Annual Report 2007);
    - Consolidated balance sheet (page 28 of the Annual Report 2007);
    - Consolidated statement of changes in equity (page 29 of the Annual Report 2007);
    - Consolidated cash flow statement (page 30 of the Annual Report 2007);
    - Notes to the consolidated financial statements (pages 31 through 48 of the Annual Report 2007);
    - Auditors' report of KPMG Accountants N.V., independent auditors, on the consolidated financial statements (page 53 of the Annual Report 2007);
- Our audited annual consolidated financial statements for the financial year ended 31 December 2008 prepared in accordance with IFRS-EU, appearing on pages 28 through 57 and page 63 of our Annual Report 2008, which comprises of:
    - Consolidated income statement (page 28 of the Annual Report 2008);

- Consolidated balance sheet (page 29 of the Annual Report 2008);
- Consolidated statement of changes in equity (page 30 of the Annual Report 2008);
- Consolidated cash flow statement (page 31 of the Annual Report 2008);
- Notes to the consolidated financial statements (pages 32 through 57 of the Annual Report 2008);
- Auditor's report of KPMG Accountants N.V., independent auditors, on the consolidated financial statements (page 63 of the Annual Report 2008).

Any financial information in this Prospectus that has not been extracted from our audited annual consolidated financial statements for the years 2006, 2007 and 2008 is unaudited.

Other financial information in this Prospectus

In addition to the financial information incorporated by reference in this Prospectus as set out under "Important information - Presentation of financial and other information - Financial information incorporated by reference", our unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009 and the notes thereto have been included in this Prospectus (beginning on page F-2). KPMG Accountants N.V., independent auditors, has reviewed the unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009, its review report being included in this Prospectus on page F-12. The comparative financial information as at and for the six months ended 30 June 2008 has not been reviewed.

Other information incorporated by reference

In addition to the financial information incorporated by reference in this Prospectus as set out under "Important information - presentation of financial and other information - Financial information incorporated by reference", our current articles of association (*statuten*) (the "**Articles of Association**") are incorporated by reference in this Prospectus.

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

Where the documents incorporated by reference themselves incorporate information by reference, such information does not form part of this Prospectus.

Prospective investors should rely only on the information that we incorporate by reference or provide in this Prospectus. No other documents or information, including the content of our websites - www.cryo-save.com and www.cryo-savegroup.com - or of websites accessible from hyperlinks on our websites, form part of, or are incorporated by reference into, this Prospectus.

Copies of our Consolidated Financial Statements 2006, the Annual Reports for the years 2007 and 2008 and our Articles of Association may be obtained free of charge for a period of twelve months following the date of this Prospectus by sending a request in writing to us at

our business address: IJsselkade 8, 7201 HB Zutphen, the Netherlands. The Consolidated Financial Statements, Annual Reports and the Articles of Association are also available via www.cryo-savegroup.com.

Rounding

Certain figures contained in this Prospectus have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

Currency and exchange rates

Unless otherwise indicated, all references in this Prospectus to "€", "Euro", "Eur", "EUR" or "cents" are to the currency introduced at the start of the third stage of European economic or monetary union pursuant to the treaty establishing the European Community, as amended, all references to "pounds sterling", "sterling", "£", "pence" or "p" are to the lawful currency of the United Kingdom and all references to "$", "US$" or "US dollars" are to the lawful currency of the United States.

We publish our historical consolidated financial statements in euros. The exchange rates below are provided solely for information and convenience. No representation is made that the euro could have been, or could be, converted into US dollars or pounds sterling at these rates.

US Dollars

The table below shows the high, low, average and end of period exchange rates expressed in US dollars per €1.00 for the years given as computed using the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the "**Noon Buying Rate**") during the period indicated.

Calendar year	High	Low	Average[(1)]	End of period
	US dollars per euro			
2006	1.3327	1.1842	1.2562	1.3197
2007	1.4862	1.2904	1.3708	1.4603
2008	1.6010	1.2446	1.4710	1.3919

[(1)] The average of the Noon Buying Rates on the last business day of each month during the relevant period.

The table below shows the high and low Noon Buying Rates expressed in US dollars per €1.00 for each month during the six months prior to the date of this Prospectus.

Month	High	Low
	US dollars per euro	
April 2009	1.3458	1.2978
May 2009	1.4126	1.3267
June 2009	1.4270	1.3784
July 2009	1.4279	1.3852
August 2009	1.4416	1.4075
September 2009	1.4795	1.4235

On 2 October 2009, the Noon Buying Rate for the euro was €1.00 = $1.4590

Pounds sterling

The table below shows the high, low, average and end of period exchange rates expressed in pounds sterling per €1.00 for the years given as computed using the Bank of England spot exchange rate ("**Spot Rate**") for the periods indicated.

Calendar year	**High**	**Low**	**Average[(1)]**	**End of period**
	Pounds sterling per euro			
2006	0.7014	0.6684	0.6818	0.6738
2007	0.7379	0.6557	0.6826	0.7345
2008	0.9803	0.7411	0.7974	0.9669

[(1)] The average of the Spot Rates on the last business day of each month during the relevant period.

The table below shows the high and low Spot Rates expressed in pounds sterling per €1.00 for each month during the six months prior to the date of this Prospectus.

Month	**High**	**Low**
	Pounds sterling per euro	
April 2009	0.9198	0.8796
May 2009	0.9016	0.8618
June 2009	0.8755	0.8450
July 2009	0.8664	0.8527
August 2009	0.8809	0.8481
September 2009	0.9217	0.8708

On 2 October 2009, the Spot Rate for the euro was €1.00 = £0.9188

Enforceability of judgments

We are a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands. All of the members of our Board of Directors and all of our employees are resident outside the United States, and all of our assets and a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or such persons, or to enforce against them in the Netherlands or elsewhere judgments obtained in US courts, including judgments predicated on the civil liability provisions of the securities laws of the United States or any state or territory within the United States.

Market data and other information from third parties

This Prospectus contains information about the markets in which we compete, including market growth, market sizes, market share information and information on our competitive position and the competitive position of third parties. We are not aware of any exhaustive industry or market reports that cover or address our specific markets. We have assembled information about our markets through formal and informal contacts with industry

professionals, organisations, analysts, publicly available information and our own experiences.

We believe that market information contained in this Prospectus provides fair and adequate estimates of the volume of our markets and fairly reflects our market position within these markets. However, our management estimates have not been verified by an independent expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market data would obtain or generate the same results. In addition, our competitors may define their markets and their own relative positions in these markets differently than we do.

We have used data sourced from third parties in relation to certain matters noted herein. Such publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of assumptions. The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as we are aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Although we believe these sources are reliable, as we do not have access to the information, methodology and other bases for such information, we have not independently verified the information and therefore cannot guarantee its accuracy and completeness.

Forward-looking statements

This document contains certain statements that are or may be forward looking statements with respect to our financial condition, results of operations and/or business achievements, including, without limitation, statements containing the words "believe", "anticipate", "expect" and similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause our actual results, financial condition, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed and described under "Risk Factors" beginning on page 11 of this Prospectus. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. We disclaim any obligation to update any such forward looking statements in this Prospectus to reflect future events or developments.

References to defined terms and incorporation of terms

Certain terms used in this Prospectus, including capitalised terms and certain technical and other terms are explained in the section entitled "Definitions and Glossary".

Dividends and Dividend Policy

General

The Board of Directors will decide which part of our profits will be reserved. The remaining profits shall be at the disposal of the General Meeting. We may distribute profits only if and to the extent that our equity capital is greater than the aggregate of the paid and called-up part of the issued capital and the reserves which must be maintained by law and our Articles of Association.

Dividends may be paid only after adoption of our annual accounts which show that they are justified. The General Meeting may resolve to declare interim dividends following a proposal by the Board of Directors. A resolution to declare an interim dividend from the profits realized in the current financial year may also be passed by the Board of Directors.

Manner of dividend payment

Unless the General Meeting sets a different term for that purpose, dividends shall be made payable within thirty days after they are declared. Following a proposal by the Board of Directors the General Meeting may direct that any dividend is wholly or partly paid in kind. Any claim a shareholder may have to a distribution shall lapse after five years, to be computed from the day on which such distribution becomes payable.

Dividend ranking of shares

All shares that are issued and outstanding as per the effective date of this Prospectus rank equally in all respects and are and will be eligible for any future dividend or distribution we may declare on the shares.

Dividend history

On 2 July 2009, we paid a maiden dividend of €0.01 per share with a nominal value of €0.02 in relation to the year ended 31 December 2008 (adjusted for the Share Consolidation amounting to a dividend of €0.05 per share with a nominal value of €0.10). This was our first dividend since our establishment in 2000, following several consecutive years of profitability and cash generation.

Dividend policy

Barring unforeseen circumstances, we intend to continue to pay dividends, subject to the availability of distributable reserves and cash, and subject to alternative investment opportunities in our expansion and growth.

Taxation on dividends

In principal, dividend or distribution payments are subject to withholding tax in the Netherlands. Please see "Taxation" for more details and information on Dutch taxation aspects in relation to dividends or distributions.

Capitalisation and Indebtedness

The table below sets out our unaudited consolidated capitalisation and indebtedness as at 30 September 2009.

The financial information in the table below has been derived from our 30 September 2009 accounting records which have not been audited or reviewed and will not be published. You should read this table together with our unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009 and the related notes thereto included in this Prospectus, beginning on page F-2 and our audited consolidated financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006, and the related notes thereto incorporated by reference in this Prospectus, as well as the information under "Operating and Financial Review" appearing elsewhere in this Prospectus. The table below is prepared for illustrative purposes only.

€ in thousands	**As at 30 September 2009 unaudited**
Capitalisation	
Guaranteed	-
Secured[(1)]	528
Unguaranteed	-
Unsecured	-
Total current debt	528
Guaranteed	-
Secured[(1)]	3,871
Unguaranteed	-
Unsecured	-
Total non-current debt	3,871
Total debt	**4,399**
Issued share capital	964
Share premium reserve	38,178
Revaluation reserve	694
Legal reserve	108
Translation reserve	(525)
Treasury shares	(3,664)
Retained earnings	7,934
Total equity	**43,689**
Total capitalisation	**48,088**
Indebtedness	
Cash and cash equivalents	7,541
Total current debt	528
Net current financial debt	(7,013)
Total non-current debt	3,871
Net financial debt	**(3,142)**

(1) The amounts of secured current and non-current debt as at 30 September 2009 refer to financial lease liabilities. We present our financial lease liabilities as borrowings in our consolidated financial statements.

Our contingent liabilities at 30 September 2009 comprise commitments of €1.7 million, which relate to the construction arrangements for our processing and storage facility in Niel, Belgium (€0.3 million) and to rent and service agreements (€1.4 million). See also "Operating and Financial Review – Contractual obligations".

Selected Consolidated Financial Information

The tables below sets out our selected consolidated financial data as at the dates and for the periods indicated.

Our selected consolidated financial data for the years ended 31 December 2008, 2007 and 2006 set out below should be read in conjunction with "Operating and Financial Review", and our audited consolidated financial statements and notes thereto and are incorporated by reference in this Prospectus. Our selected consolidated financial data for the six months ended 30 June 2009 set out below should be read in conjunction with "Operating and Financial Review", and our unaudited condensed consolidated interim financial statements 2009 and notes thereto which are included in this Prospectus starting on page F-2.

The year-end consolidated financial data is extracted from our audited consolidated financial statements as at and for the years ended 31 December 2008, 2007 and 2006 that have been audited by KPMG Accountants N.V. (2008 and 2007) and by Kropff & Partners (2006), independent auditors. The six-month consolidated financial data is extracted from our unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009. KPMG Accountants N.V. has reviewed the unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009. The comparative financial information as at and for the six month period ended 30 June 2008 has not been reviewed. The results as at and for the six months ended 30 June 2009 are not necessarily indicative of results for the full year.

Our consolidated financial statements and accounts from which the selected consolidated financial data set out below have been derived were prepared in accordance with IFRS-EU.

Our condensed consolidated interim financial statements and accounts from which the selected consolidated financial data set out below have been derived were prepared in accordance with International Accounting Standard 34 as adopted by the European Commission for use in the European Union.

Our selected consolidated financial data set out below may not contain all of the information that is important to you.

Selected Consolidated Income Statement Data

	Six months ended 30 June (unaudited)		Year ended 31 December (audited)		
	2009	**2008**	**2008**	**2007**	**2006**
			(€ in thousands)		
Revenue	**18,622**	**12,235**	**29,485**	**17,706**	**10,923**
Profit for the period	**928**	**1,656**	**2,568**	**3,883**	**2,045**
Profit attributable to equity holders of the Company	**928**	**1,656**	**2,568**	**3,883**	**2,039**
Profit attributable to minority interests	**-**	**-**	**-**	**-**	**6**
Earnings per share (€ cents)- basic[(1)]	**2.0**	**3.5**	**5.5**	**10.3**	**28.7**
Earnings per share (€ cents) – diluted[(1)]	**2.0**	**3.5**	**5.5**	**10.3**	**28.7**

(1) Adjusted for the Share Consolidation for the six months ended 30 June 2009 and 2008, 10.0 and 17.5 euro cents per share with a nominal value of €0.10 respectively and for the years ended 31 December 2008, 2007 and 2006, 27.5, 51.5 and 28.7 euro cents per share with a nominal value of €0.10 respectively.

Selected Consolidated Statement of Cash Flows Data

	Six months ended 30 June (unaudited)		Year ended 31 December (audited)		
	2009	2008	2008	2007	2006
	(€ in thousands)				
Net cash from operations	3,363	774	1,876	4,721	1,551
Net cash from operating activities	2,586	1,524	2,036	4,733	1,443
Net cash (used in)/generated by investing activities	(2,379)	(23,073)	(33,728)	(2,792)	(116)
Net cash generated by/(used in) financing activities	4,036	(3,016)	(3,062)	34,339	(16)
Net increase/(decrease) in cash and cash equivalents	4,243	(24,565)	(34,754)	36,280	1,311

Selected Consolidated Balance Sheet Data

	As at 30 June (unaudited)	As at 31 December (audited)		
	2009	2008	2007	2006
		(€ in thousands)		
Total assets	71,514	64,148	51,914	10,249
Total non-current assets	53,054	49,803	3,768	815
Total equity attributable to equity holders of the parent	43,464	43,053	42,921	4,612
Minority interests	-	-	-	35

Unaudited Pro Forma Condensed Consolidated Income Statement for the Year Ended 31 December 2008

Introduction

On 27 June 2008, we acquired our Spanish distributor Crio Cord S.L. ("**Crio Cord**") for an initial consideration of €15 million payable in cash and a variable price of €310 per sample that arrives at our processing and storage facilities, exceeding a minimum number of samples per year, until 31 December 2011.

The purchase price was allocated to the estimated fair value of the assets acquired and liabilities and contingent liabilities assumed. The total net fair value of the acquired identifiable assets, liabilities and recognized contingent liabilities was €1.7 million. Goodwill arising from the acquisition is measured initially as the excess of the cost of the acquisition over the net fair value as referred to above and amounted to €16.2 million.

The unaudited pro forma condensed consolidated income statement for the year ended 31 December 2008 set out below has been prepared to illustrate the impact of the acquisition of Crio Cord on our consolidated income statement. It gives effect to the acquisition of Crio Cord as if it has occurred on 1 January 2008 and combines our historical consolidated income statement for the year ended 31 December 2008 (which includes the results of Crio Cord as part of our group for the period 27 June 2008 through 31 December 2008) with the income statement of Crio Cord for the period 1 January 2008 through 26 June 2008 prior to the acquisition.

We have derived the unaudited pro forma condensed consolidated income statement for the year ended 31 December 2008 set out below by applying the pro forma adjustments described below to our audited consolidated financial statements as at and for the year ended 31 December 2008 which are incorporated by reference in this Prospectus. The assumptions underlying the pro forma adjustments are described in the notes to the unaudited pro forma condensed consolidated income statement, which should be read in conjunction with this unaudited pro forma condensed consolidated income statement.

As the acquisition of Crio Cord has been reflected in our consolidated balance sheet as at 31 December 2008, which has been included in the consolidated financial statements for the year ended 31 December 2008 as incorporated by reference in this Prospectus, no pro forma balance sheet information has been prepared.

The pro forma adjustments are based upon available information and certain assumptions that are factually supportable and that we believe are reasonable under the circumstances. The unaudited pro forma condensed consolidated income statement for the year ended 31 December 2008 is presented for illustrative purposes only. The unaudited pro forma condensed consolidated income statement does not purport to represent what our actual results of operations would have been had the acquisition of Crio Cord, to the extent not already reflected in our historical consolidated financial statements for the year ended 31 December 2008, actually occurred on the date indicated, nor is it necessarily indicative of future operating results. Because of its nature, the unaudited pro forma condensed consolidated income statement addresses a hypothetical situation, and, therefore, does not represent our actual financial position of results for the year ended 31 December 2008.

The unaudited pro forma condensed consolidated income statement should be read in conjunction with the notes to the unaudited pro forma condensed consolidated income

statement and our consolidated financial statements as at and for the year ended 31 December 2008 and related notes thereto incorporated by reference in this Prospectus.

Unaudited Pro Forma Condensed Consolidated Income Statement for the Year Ended 31 December 2008

€ in thousands	Historical unadjusted information				
	Cryo-Save Group N.V. (A)	**Crio Cord S.L. (B)**			**Pro forma information**
	Year ended 31 December 2008 (audited)	**1 January to 26 June 2008 (unaudited)**	**Pro forma adjustments (unaudited)**	**Note**	**Year ended 31 December 2008 (unaudited)**
Revenue	29,485	2,622	30	**(C)**	32,137
Cost of sales	(9,278)	(976)	-		(10,254)
Gross profit	**20,207**	**1,646**	**30**		**21,883**
Marketing and sales expenses	(7,817)	(614)	-		(8,431)
Research and development expenses	(97)	-	-		(97)
General and administrative expenses	(9,986)	(190)	(322)	**(D)**	(10,498)
Operating profit	**2,307**	**842**	**(292)**		**2,857**
Finance income	988	6	(300)	**(E)**	694
Finance costs	(434)	-	-		(434)
Net finance income	**554**	**6**	(300)		**260**
Profit (loss) before income taxes	**2,861**	**848**	**(592)**		**3,117**
Income tax expense	(293)	(237)	74	**(F)**	(457)
Profit (loss) for the year	**2,568**	**611**	**(518)**		**2,660**

Notes to the Unaudited Pro forma Condensed Consolidated Income Statement for the year ended 31 December 2008

(A) The information in this column has been derived without adjustments from our audited consolidated financial statements as at and for the year ended 31 December 2008.

(B) The information in this column has been derived from the unaudited internal management information from Crio Cord as prepared in accordance with generally accepted accounting principles in Spain.

(C) Adjustments are made conforming Crio Cord's accounting policies with our accounting policies. Revenue is adjusted to recognize revenue in the period that the service is delivered.

(D) Adjustment is made to reflect the incremental amortization expense as a result of the step up in fair value of intangible assets due to the acquisition of Crio Cord for the period 1 January 2008 to 26 June 2008. The adjustment of €322,000 has been calculated based upon management's determination of fair values and useful lives at the date of acquisition and amortization of the assets on a straight line basis over the useful lives of 4 to 20 years.

(E) Adjustment is made to reflect the adjustment to financial income would the cash consideration have been paid on 1 January 2008. The adjustment of €300,000 has been calculated using the average interest rate of 4%.

(F) The tax adjustment reflects the deferred income tax effect for Note C and D, using the statutory rate applicable, related to the pro forma adjustments. No adjustment to the income tax has been made for the adjustment under Note E, as we do not capitalize our losses carried forward in the Netherlands. The actual tax rate may differ.

Auditor's Assurance Report on the Unaudited Pro Forma Condensed Consolidated Income Statement for the Year Ended 31 December 2008

To the Board of Directors of Cryo-Save Group N.V.

Introduction

We report on the Unaudited Pro Forma Income Statement for the year ended 31 December 2008 as set out on page 34 to 36 of this Prospectus which has been compiled on the basis described in the Notes to the Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008, for illustrative purposes only, to provide information about how the acquisition of Crio Cord S.L. that results in a significant gross change might have affected the financial information presented on the basis of the accounting policies adopted by Cryo-Save Group N.V. (the "**Company**") in preparing the consolidated financial statements for the year period ended 31 December 2008.

Management is responsible for the compilation of the Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008 in accordance with the requirements of the Commission Regulation (EC) No 809/2004. Our responsibility is to express a conclusion as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004, as to the proper compilation of the Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008 and as to the consistency of the basis with the accounting policies of the Company. In providing this conclusion we are not updating or refreshing any reports or opinions previously issued by us on any financial information used in the compilation of the Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue and nor does the aforementioned conclusion require an audit of historical financial information on the assumptions summarized in the accompanying notes.

Scope

We conducted our work in accordance with Dutch law, including COS 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, including their adjustment to the Company's accounting policies nor of the pro forma assumptions stated in the pro forma notes, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the pro forma adjustments and discussing the Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008 with the Company management. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008 has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Conclusion

We conclude that the Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008 has been properly compiled on the basis stated in Notes

to the Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008 and such basis is consistent with the accounting policies of the Company as described in the notes to the consolidated financial statements of the Company for the year ended 31 December 2008.

Other matters

1 Realization of future outcomes

Because of its nature, Unaudited Pro Forma Condensed Consolidated Income Statement for the year ended 31 December 2008 addresses a hypothetical situation and therefore does not represent the Company's actual financial position or results had the transaction or event occurred at the beginning of the reporting period.

2 Restriction of use (and distribution)

This report is required by the Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that Regulation and for no other purpose.

Arnhem, 13 October 2009

KPMG ACCOUNTANTS N.V.

J.G.R. Wilmink RA

Operating and Financial Review

The following information, discussion and analysis of our consolidated results of operations and financial condition should be read in conjunction with the whole of this Prospectus, including (i) our audited consolidated financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 and the related notes, and our unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009 included in this Prospectus, (ii) "Selected Consolidated Financial Data" and (iii) "Unaudited Pro Forma Condensed Consolidated Income Statement for the Year Ended 31 December 2008".

This information, discussion and analysis contains forward-looking statements that are subject to known and unknown risks and uncertainties. Our actual results and the timing of events could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Prospectus, including under the headings "Forward-Looking Statements" and "Risk Factors". We do not undertake any obligation to revise, or publicly release the results of any revision to, these forward-looking statements.

Overview

We are a profitable healthcare services group whose business focuses on the collection, processing, preservation and storage at birth of human adult stem cells collected from the umbilical cord blood and of the cord itself. Founded in 2000 in the Netherlands, we currently trade in 38 countries, principally in Europe. We have two processing and storage facilities (Niel, Belgium and Bangalore, India) and have access to another two such facilities (Dubai, UAE and Mannheim, Germany) where we have to date stored in excess of 115,000 stem cell samples, which we estimate represents approximately 50% of the total cord blood stem cell samples stored in Europe. Mid 2008, we were the first to introduce the service of storage of the umbilical cord tissue and have stored more than 2,500 umbilical cords to date. We are the largest adult stem cell storage group in Europe based on stored samples. In 2008, we had annual revenues of €29.5 million and profit before taxation of €2.9 million.

Our services allow parents and guardians to collect and cryogenically preserve a child's stem cells contained in the blood of the umbilical cord, or to collect and preserve the cord itself, so that they may be used in medical therapies if the child so requires during his or her lifetime. Samples are taken immediately following birth and once collected are delivered to our laboratories for processing, analysis and storage. Samples are stored in the gas phase of liquid nitrogen using sophisticated biological storage techniques. The storage is monitored under laboratory conditions for a minimum of 20 years. After 20 years the child is offered the opportunity to continue with the storage and, on payment of a further fee, may store their sample for the rest of their life. The collection of adult stem cells from the umbilical cord is widely considered to be non-invasive, simple and safe.

Our core business is Cryo-Cord which involves the provision of materials and standard operating procedures for (i) the collection, processing, preservation and storage of haematopoietic stem cells (HSCs) taken from the umbilical cord blood, as well as (ii) the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSCs), the latter being a new feature we added to our Cryo-Cord service in June 2008 in addition to, and separate from, the collection of HSCs taken from the cord blood. We are currently developing a new service, Cryo-Lip, which we intend to introduce to the market in the first half year of 2010. Cryo-Lip involves the collection,

processing, preservation and storage of fat tissue containing MSCs obtained via liposuction from adults. In addition, we are looking to develop other sources of income which are based on cryopreservation techniques and processes.

Significant events after 30 June 2009 and trend information

On 2 July 2009, we signed an exclusive distribution agreement for the Iberian market with the Spanish subsidiary of Labco, a leading pan European medical diagnostic labs network. As a result of this agreement, we will further strengthen our leadership position in Spain and have an additional channel to market in Portugal. In Spain and Portugal, the laboratories of Labco will be used as a point of contact and sale for our potential customers. Labco, with around 1,000 laboratories in Spain and Portugal, will train medical staff to collect the cord blood and on our logistics procedures. We will pay a fee for the samples successfully stored. We are receiving samples collected via the Labco laboratories since October 2009.

On 10 July 2009, we acquired Salus Futura Ltd, United Kingdom, which holds all shares of Salus Futura S.r.L., Italy ("**Salus Futura**"), for an initial consideration of €0.4 million payable in cash and a deferred performance related payment, payable annually on the achievement of certain goals until 31 May 2012. We expect the acquisition to be earnings enhancing on completion. Salus Futura, established in 2007, is an Italian stem cell storage marketing and distribution company. Processing and storage will be performed by us. Salus Futura concentrates primarily on customer acquisition through diagnostic centres and private clinics. All of Salus Futura's business comes from Italy. In the first quarter of 2009, the number of samples stored increased by 280% over the same period last year, and was 13% up on the fourth quarter of 2008. Following completion, key staff of Salus Futura will remain with us, allowing us to utilise its experience to further roll out this successful model in Italy. The Salus Futura organisation will be integrated in our Italy organisation. In the year to 31 December 2008 Salus Futura reported aggregated revenue of €0.5 million and a start up loss of €0.1 million.

Our Chief Executive Officer Mr. Rob Koremans resigned in June 2009 and left us at the end of July 2009 to take up a senior position with a leading pharmaceutical company, at which time Mr. Marc Waeterschoot, our founder and former Chief Executive Officer, again took the position of Chief Executive Officer. Mr. Koremans continues to be an advisor to us.

In August 2009 we purchased 100,000 own shares with a nominal value of €0.02 each at a price of 52.5 pence per share to be held in treasury.

In August 2009, we moved our Belgian processing and storage activities from Mechelen to our new Niel facility to cover the significant growth of our business, and subsequently closed the Mechelen facility. The total investment in the processing and storage facility in Niel, Belgium (land, building, processing, storage and office equipment) amounts to approximately €6.8 million of which an amount of approximately €0.3 million shall be paid after the date of this Prospectus.

On 19 September 2009, we announced that Mr. Goossens was granted the title Chairman of the Board of Directors.

Following the close of trading of our shares on AIM on 7 October 2009 the Share Consolidation was effected and our shares were consolidated and redenominated by means of an amendment of our articles of association. As a consequence, for every five shares with a nominal value per share of €0.02 held by a shareholder immediately prior to close of trading on 7 October 2009, a shareholder held one share with a nominal value of €0.10 immediately following the Share Consolidation. Immediately prior to the Share Consolidation, we had 48,195,986 shares with a nominal value per share of €0.02 outstanding. Immediately

following, and as a consequence of, the Share Consolidation, we had 9,639,191 shares with a nominal value per share of €0.10 and 31 sub shares (*onderaandelen*) with a nominal value of €0.02 per sub share outstanding (on the sub shares, see also "Description of Share Capital and Corporate Governance – Share Capital – Sub shares").

The main trends we have observed in the first half year of 2009 and since 30 June 2009 are growth quarter on quarter of the number of samples stored, and subsequently an increase of revenue. Sales prices are mainly unchanged compared to the end of the last financial year. Gross margin is stable around 70%, and operating expenses, adjusted for the non-recurring write-down of receivables of €0.9 million from our associate Cryo-Save Arabia FZ-L.L.C., were in line with our expectations, slightly above the level of the second half of 2008. We are profitable and cash-generative.

Significant factors materially affecting our results of operations and financial condition

We believe that the factors discussed below have had or are expected to continue to have a material effect on our operational results and financial condition.

Revenues

Our revenues mainly consist of the revenues from our core stem cell storage business. Revenues are the considerations received or receivable from our customers, i.e. parents who decide to store the stem cells for their child. Upon successful storage of the sample, the customer pays the full service fee. Should for one or another reason the storage be unsuccessful, the customer has to pay only a part of the service fee that covers our costs. Based upon historical data, less than 5% of our signed contracts with customers result in an unsuccessful storage.

Revenues from our non-core logistics operation Output Pharma Services GmbH relate to fees for projects for pharmaceutical companies, which are recognized as revenues upon progress of the project ("percentage of completion").

Our customers pay upfront, upon successful storage, for the collection, processing and storage for a 20 years period. In most of our countries we operate, customers also have the option to pay in instalments, however they can not terminate the contract. Independent from the payment methods (upfront or in instalments), we recognize revenues in respect of fees charged for stem cell extraction on the day of the extraction. Revenue earned in respect of stem cell storage is recognized evenly over the storage period ("deferred revenue"), over which time an appropriate margin is also recognized.

Operating expenses

Our operating expenses currently consist of three categories: marketing and sales expenses, research and development expenses and general and administrative expenses.

Our marketing and sales expenses mainly consist of employee benefit expenses relating to the sales staff, and costs of marketing and sales activities, like flyers and brochures and events. Salaries of sales staff consist of a fixed component and a material variable component usually directly related to the volume of samples processed and stored.

Our research and development expenses are related to the new element we added to our Cryo-Cord service in June 2008, being the collection, processing, preservation and storage of the umbilical cord tissue containing MSCs, Cryo-Lip, the new service of the collection, processing, preservation and storage of fat tissue containing MSCs obtained via liposuction

from adults that we intend to introduce to the market in the first half year of 2010 and to funding applied research. Research and development costs comprise, amongst others, allocated employee benefit expenses and costs of laboratory consumables.

General and administrative expenses comprise employee benefit expenses, including the employees working in the processing and storage facilities, office costs, consultancy costs, and depreciation and amortization expenses.

Governmental, economic, fiscal, monetary or political policies or factors

Reference is made to "Risk Factors" for governmental, economic, fiscal, monetary or political policies or factors that could materially affect, directly or indirectly, our operations. Due to our geographical spread we limit our dependency on one single geography, and consequently limit the risk that changes in policies of factors materially affect our operations. However, our financial position was materially affected during the first half of 2009 by the dramatic economic downturn in Dubai. This caused us to write-down our receivables on our associate Cryo-Save Arabia FZ-L.L.C. (35% ownership), which operates in the United Arab Emirates. As a result, we decided to write down €0.9 million of receivables due from Cryo-Save Arabia. This relates to non-cash fees of €0.5 million for services regarding the construction of the processing and storage facility, a non-cash royalty fee of €0.2 million for samples processed and stored in Dubai and a cash fee of €0.2 million for samples processed and stored in the Belgium processing and storage facility from UAE customers. The receivables comprise of €0.5 million relating to 2007, €0.3 million to 2008 and €0.1 million to the first half year of 2009. Under the current economic circumstances, as of 1 July 2009 we will not further generate material revenues from services to this associate, hence we do not expect that it will materially impact our future financial position.

Liquidity and capital resources

(€ in thousands)	**Six months ended 30 June 2009 (unaudited)**	**Year ended 31 December (audited)**		
	2009	**2008**	**2007**	**2006**
Net cash from operations	**3,363**	**1,876**	**4,721**	**1,551**
Net cash from operating activities	**2,586**	**2,036**	**4,733**	**1,443**
Net cash (used in)/generated by investing activities	**(2,379)**	**(33,728)**	**(2,792)**	**(116)**
Net cash generated by/(used in) financing activities	**4,036**	**(3,062)**	**34,339**	**(16)**
Net increase/(decrease) in cash and cash equivalents	**4,243**	**(34,754)**	**36,280**	**1.311**
Cash and cash equivalents at the beginning of the period	**4,697**	**39,465**	**3.185**	**1,874**
Exchange differences on cash and cash equivalents	**13**	**(14)**	**-**	**-**
Cash and cash equivalents at the end of the period.	**8,953**	**4,697**	**39,465**	**3,185**

Our primary sources of liquidity have been our net cash from our operating activities, plus equity financing in 2007 – when we were admitted to trading on AIM and raised €33.9 million

net to enable us to execute our strategy to further invest in growing the business both organically and by acquisitions; funds which were not required to fund our operating activities – and debt financing in 2009, when we entered into a €4.3 million sale and lease back arrangement with ING Lease Belgium N.V. in relation to our facilities in Niel, Belgium.

In 2006 there were no material changes in cash flow, and no material investments.

In 2007 we invested €1.8 million on an acquisition, and €0.9 million in property, plant and equipment.

In 2008 we invested from our own funds €9.0 million on property, plant and equipment, mainly related to our new facility in Niel, Belgium and our newly acquired site in Lyon, France, and spent €24.4 million net on acquisitions. Furthermore we repurchased own shares for an amount of €3.1 million.

In the first half year of 2009 we further invested with our own funds on the completion of our Niel facility which has been in use since the beginning of September 2009, we completed the sale and lease back transaction regarding the premises in which the Niel facility is located for an amount of €4.3 million, of which €4.2 million was received before 30 June 2009 and €0.1 million in August 2009, and in July 2009 we paid the initial consideration of €0.4 million for the acquisition of Salus Futura from our own funds.

We are currently negotiating refinancing our building in Lyon, France by means of a sale and lease back arrangement. If we succeed in successfully negotiating such arrangement, we expect the sales price of the building to amount to approximately €3.0 million.

Our existing material tangible fixed assets, all without any major encumbrances, are:

- Our processing and storage facility in Niel, Belgium, which was sold and leased back for a 15-year period which commenced on 1 September 2009, with an option to repurchase the building for an amount of €0.4 million (10% of the €4.3 million payment received from ING Lease Belgium N.V.) after 15 years.

- Our site in Lyon, France, which we own.

- Our processing and storage facility in Bangalore, India, located in premises we rent on the basis of a lease agreement with a fixed initial term ending on 15 June 2013 with an option to extend with 5 years.

Working capital statement

We believe that the current cash resources of Cryo-Save Group N.V. and its subsidiaries, together with our existing financing facilities, do provide us with sufficient working capital for at least the next twelve months following the date of this Prospectus.

Contractual obligations

The table below sets out our contractual obligations and commercial commitments as at 30 June 2009 that provide for fixed and determinable payments over the periods indicated.

(in € thousands) **Contractual obligations**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Financial lease[1]	542	329	3,533	4,404
Capital commitments[2]	1,598	4,237	2,411	8,246
Other commitments[3]	2,600	550	-	3,150

(1) Consists principally of our obligations under the sale and lease back arrangement with ING Lease Belgium N.V. in relation to our facilities in Niel, Belgium, which are obligations that are recognized in our balance sheet.
(2) Consists principally our obligations under the earn out arrangements with the former owners of Crio Cord and Sejtbank which are obligations that are recognized in our balance sheet.
(3) Consists principally of obligations under the construction agreements for our processing and storage facility in Niel, Belgium (€1.8 million, all less than one year) and obligations under rent and service agreements (€1.35 million), which are all off balance sheet obligations. Except for these obligations, we have no other off balance sheet obligations.

The six months ended 30 June 2009 compared to the six months ended 30 June 2008

Key financials for the period 1 January 2009 through 30 June 2009 are presented below. They include a non-recurring write-down of receivables of €0.9 million from our associate Cryo-Save Arabia FZ-L.L.C. (35% ownership) which is accounted for under general and administrative expenses.

(in € thousands)	**Six months ended 30 June (unaudited)**	
	2009	**2008**
Revenue	18,622	12,235
Gross profit	13,247	8,316
Marketing and sales expenses	4,880	3,059
Research and development expenses	170	59
General and administrative expenses[1]	5,721	3,729
Depreciation expenses	424	212
Amortization expenses	627	266
Operating profit	1,425	991

(1) General and administrative expenses do not include depreciation expenses and amortization expenses.

Operating review

Where the sales in Q1 2009 with 6,300 samples already exceeded the sales in Q4 2008 (6,100 samples), sales continued to grow in Q2 2009 to an all time record for us of 7,000 samples (Q2 2008 6,600 samples). Total sales volume for the first half year of 2009 grew 6% to 13,300 samples compared with the first half year of 2008 12,500 samples, all organically.

Sales growth was mainly achieved in Spain, Italy and the South Eastern European countries.

Spain

Spain, where we operate with our two subsidiaries Crio Cord and Cryo-Save Espana, continued to be our main market. Revenues increased by 180% to €8.4 million (1HY 2008 €3.0m), with an overall volume growth of 26%. Crio Cord further strengthened its market position and benefited from contracts it has with several private insurance companies.

Hungary

Our Hungarian subsidiary Sejtbank (70% ownership) faced challenging circumstances in the first half year of 2009. The country has been hit very hard by the economic crisis and there is a strong competition in the market. Despite this, revenues only decreased to €2.1 million from €2.3 million in the first half year of 2008.

With our strong marketing campaign focused on our potential customers, we expect to remain the market leader in Hungary.

Italy

Italy achieved a growth in revenues of 61% to €2.9 million (1HY 2008: €1.8 million), which is the result of a higher volume. Our subsidiary Cryo-Save Italy S.r.L. as well as our partners significantly increased their sales during the first half year of 2009 reflecting a growth of the market.

South Eastern European countries (including Greece)

Sales significantly increased in the South Eastern European countries (excluding Greece), particularly in Serbia. Sales in Greece were in line with the second half year of 2008, but below the first half year of 2008, as a result of the previously reported termination of a major contract with a maternity hospital in Athens as at 30 June 2008. Overall this region reported revenues of €1.7 million (1HY 2008: €1.7 million).

Other countries

Cryo-Save India has introduced its services successfully to the Indian market, in six key metropolitan cities. The business signed contracts with several leading hospitals that support our services and high quality standards. Cryo-Save India successfully obtained the ISO9001:2008 certificate, which underlines our commitment to rigorously adhere to the same high standards and procedures in processing and storage facility in Bangalore, as in our Belgium processing and storage facility. Sales in the first half year of 2009 grew month over month.

Cryo-Save France further developed its market opportunities. Although the formal approval to start its processing and storage activities in Lyon is still pending, we visited many stakeholders in this period, including hospitals, clinics, and regional regulators. After being recruited and trained in July and August of 2009, sales staff became operational as of September 2009.

In the first half year of 2009 we entered into partner agreements in Latvia, Pakistan, Kosovo, Albania, and Bosnia Herzegovina without any material investment.

Applied research & development of new services

In the first half year of 2009 we further introduced our new added feature to our Cryo-Cord service - the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSCs) - in several countries, among them India, Greece and Hungary. During the introduction period the added feature to our Cryo-Cord service was free of charge until September 2009, except for the Spanish market.

Validation and development of our new Cryo-Lip service, which we plan to introduce in the market in the first half year of 2010, also progressed well in the first half year of 2009. Cryo-Lip involves the collection and storage of fat tissue containing MSCs obtained via liposuction from adults. In the first half year of 2009 we further tested the collection and processing procedures, which were all validated.

Financial review

Revenue

Revenues for the six months ended 30 June 2009, excluding Output Pharma Services GmbH our non-core German logistics operation, increased by 59% to €18.0 million (1HY 2008: €11.3 million).

Reported revenues in the first half year of 2009 were €18.6 million (1HY 2008: €12.2 million), up 52% as a result of a combination of the increase in storage volumes, the full year impact of acquisitions, especially Crio Cord in Spain and Cryo-Save Balcanica, and price increases in 2008.

Overall, total sales volume for the first half year grew 6% to 13,300 samples, in comparison to the 12,500 samples stored in the first half of 2008. All of this growth was organic, achieved mainly in Spain, Italy, the South Eastern European region and India.

We also benefited from the full year impact of the price increases implemented during 2008, even though the key markets of Spain and Hungary only increased their prices in Q4 2008.

Geographical breakdown of revenue

€ in millions	**Six months Ended 30 June 2009 (unaudited)**	**Six months Ended 30 June 2008 (unaudited)**
Spain	8.4	3.0
Hungary	2.1	2.3
Italy	2.9	1.8
South Eastern Europe (including Greece)	1.7	1.7
Other countries	2.9	2.5
Sub-total revenue from samples stored	**18.0**	**11.3**
Other revenue[(1)]	0.6	0.9
Total	**18.6**	**12.2**

(1) Other revenue relates to sales from Output Pharma Services GmbH, acquired in January 2008, that provides services to pharmaceutical companies.

The significant growth in revenues of Spain was a result of a combination of higher sales volumes, the price increase implemented in Q4 2008 and the impact from the acquisition of Crio Cord on 1 July 2008. Prior to this acquisition, Crio Cord was our agent in Spain.

The decrease in revenues of Hungary was mainly caused by a weaker Hungarian Forint in the first half year of 2009 compared to the first half year of 2008. The impact of a slight decrease of the storage volume was offset by the impact of the higher prices since Q4 2008.

Growth in sales volume triggered the significant growth in revenues of Italy.

Increase in revenues of the South Eastern European countries was offset by lower revenues in Greece.

The growth of revenues of the other countries from €2.5 million to €2.9 million was mainly caused by India.

Gross profit and gross margin

Gross profit, excluding our non-core logistics operation, increased by 65% to €12.7 million (1HY 2008: €7.7 million). The reported gross margin in the first half year of 2009, including our non-core logistics operation increased to 71% (1HY 2008: 68%).

Operating expenses

We maintained tight control of our operating expenses in the first half year of 2009 and despite a new marketing campaign and a larger infrastructure following the investment programme in 2008, only operating costs, excluding depreciation and amortization, increased by 5% compared to 2HY 2008. Operating expenses, excluding the write down of €0.9 million of the receivables from our associate Cryo-Save Arabia FZ-L.L.C. and excluding depreciation and amortization, were €9.9 million (1HY 2008: €6.8 million) and €9.4 million in 2HY 2008.

In the first half year of 2009, we continued to invest in our Indian operation, which is expected to be break even on a monthly basis by the end of 2009, and in France, where Cryo-Save France launched its sales activities in September 2009.

Our associate Cryo-Save Arabia FZ-L.C.C. (35% ownership), which operates in the United Arab Emirates, saw a significant decrease in sales during the first half year of 2009. As a result, we decided to write down €0.9 million of receivables due from Cryo-Save Arabia. This relates to non-cash fees of €0.5 million for services regarding the construction of the processing and storage facility, a non-cash royalty fee of €0.2 million for samples processed and stored in Dubai, and a fee of €0.2 million for samples processed and stored in the Belgium processing and storage facility from UAE customers. The receivables comprise of €0.5 million relating to 2007, €0.3 million to 2008 and €0.1 million to the first half year of 2009.

EBITA

EBITA for the six months ended 30 June 2009 of €2.0 million (€2.9 million when excluding the €0.9 million write down of receivables due from Cryo-Save Arabia) increased significantly from €1.3 million compared to the same period in 2008, as a result of higher gross profit and tight cost control.

Operating profit

Underlying operating profit (excluding the €0.9 million write down of receivables due from Cryo-Save Arabia) more than doubled, to €2.3 million (1HY 2008: €1.0 million) reflecting our high operational gearing. Operating profit, excluding our non-core German logistics operation, was €1.3 million (1HY 2008: €0.9 million). Reported operating profit was €1.4 million (1HY 2008: €1.0 million).

Net finance (cost)/income

Net finance costs of €0.2 million in 1HY 2009 were caused by the non-cash IFRS-EU expenses of unwinding discounted earn out liabilities, which exceeded interest income from cash deposits.

The significant change compared to the net finance income of €0.8 million in the first half year of 2008 was mainly caused by the high interest income in the first half year of 2008 on cash deposits which were spent on acquisitions in the second half of 2008.

Profit before taxation

Reported profit before taxation was €1.2 million (1HY 2008: €1.8 million). Underlying profit before taxation (excluding the €0.9 million write down of receivables due from Cryo-Save Arabia) was up 17% to €2.1 million (1HY 2008: €1.8 million).

Taxation

The effective tax rate for the six months ended 30 June 2009 increased to 22% compared to 9% in the first half of 2008. Interim period income tax expense is accrued using the tax rate (22%) that would be applicable to expected total annual profit before taxation. The increase was caused by the non-recurring impact of the estimated costs regarding the Euronext Amsterdam Listing, which will be incurred in the second half year of 2009 by Cryo-Save Group N.V., that does not capitalise its losses carried forward. Furthermore, the effective tax rate increased due to increased profits in countries with a relatively high tax rate, like Spain, compared to our historically low effective tax rate.

Profit for the period

Profit for the first half year of 2009 amounted €0.9 million (1HY 2008 €1.7 million). Adjusted for the write-down of the receivables the profit for the period for the six months ended 30 June 2009 amounted €1.7 million.

Earnings per share

Reported earnings were 2.0 euro cents per share with a nominal value of €0.02 (adjusted for the Share Consolidation, 10.0 euro cents per share with a nominal value of €0.10) (1HY 2008: 3.5 euro cents per share with a nominal value of €0.02, adjusted for the Share Consolidation, 17.5 euro cents per share with a nominal value of €0.10). Underlying earnings per share (excluding the €0.9 million write down of receivables due from Cryo-Save Arabia) were up 6% at 3.7 euro cents per share with a nominal value of €0.02 (adjusted for the Share Consolidation, 18.5 euro cents per share with a nominal value of €0.10) (1HY 2008: 3.5 cents per share with a nominal value of €0.02, adjusted for the Share Consolidation 17.5 euro cents per share with a nominal value of €0.10).

Cash flow

Net cash from operating activities was €2.6 million (1HY 2008: €1.5 million). We invested €2.3 million in property, plant and equipment, mainly related to the new processing and storage facility in Niel, Belgium, which was financed by the sale and lease back transaction with ING Lease Belgium N.V.

Consolidated balance sheet

€ in thousands	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**Variance (unaudited)**
Total non-current assets	53,054	49,803	3,251
Total current assets	18,460	14,345	4,115
Total equity	43,464	43,053	411
Total non-current liabilities	18,498	13,653	4,845
Total current liabilities	9,552	7,442	2,110

Total non-current assets

In the first half year of 2009 goodwill increased by around €2 million due to a revised estimate of earn out liabilities regarding the acquisitions of Crio Cord and Sejtbank.

We invested €2.3 million in property, plant and equipment, consisting of €1.6 million relating to our new facility in Niel, Belgium and our newly acquired site in Lyon, France, €0.5 million relating to laboratory and office equipment and €0.2 million relating to other assets. Our newly built processing and storage facility in Niel, Belgium, has been refinanced by means of a 15-year financial sale and lease back arrangement of €4.3 million. We are currently negotiating the refinancing of the French building.

In the first half year of 2009 we capitalized €0.1 million expenditures relating to the development of our new added feature to our Cryo-Cord service - the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSCs) -, Cryo-Lip, and a new website.

Total current assets

Trade and other receivables as at 30 June 2009, adjusted for the write-down of €0.9 million of the receivables from our associate Cryo-Save Arabia FZ-L.L.C., increased with 14% due to the growth of our sales and the payment in instalments facility, which we offer to our customers since late 2008.

Total equity

Total equity increased with €0.4 million, to €43.5 million at 30 June 2009, mainly due to the profit for the period of €0.9 million in the first half of 2009 and a decrease of on balance €0.5 million, related to repurchased shares held in treasury, foreign exchange differences on investments, share-based payments and dividend declared.

During the first half year of 2009 we acquired 250,000 own shares with a nominal value of €0.02 each under our share buy-back programme. At 30 June 2009 we held 2,020,000 own shares with a nominal value of €0.02 each in treasury, which are recorded at cost, representing the market price on the acquisition date.

Total non-current liabilities

Total non-current liabilities of €18.5 million at 30 June 2009 (31 December 2008: €13.7 million) contained amongst others the present value of deferred revenue, amounting to €5.2 million, that match the estimated remaining costs of the 20 years storage period including a profit margin. The increase from €4.9 million at 31 December 2008 compared with the €5.2 million at 30 June 2009 is the balance of additions to deferred revenue due to the storage of

new samples in the first half year of 2009 less the release to the income statement for the storage period during the six months ended 30 June 2009, and the difference between the present value as at 30 June 2009 and 31 December 2008.

Furthermore, earn out liabilities based on predefined performance criteria to former shareholders of Sejtbank and Crio Cord pursuant to the sale and purchase agreements, were increased to €6.6 million at 30 June 2009 due to higher than previously anticipated estimated performance during the earn out period by Crio Cord. The increase of the earn out liabilities has been charged against goodwill.

We have entered into a 15-year financial sale and lease back agreement of €4.3 million for our newly built processing and storage facility in Niel, Belgium with ING Lease Belgium N.V., of which €3.8 million is recognized as a non-current borrowing.

Total current liabilities

Total current liabilities increased from €7.4 million at 31 December 2008 to €9.6 million at 30 June 2009, mainly due to other payables, that include the addition to the short-term part of the earn out liabilities to former shareholders of acquired companies (€0.7 million) and the addition of a dividend payable (€0.5 million) which was paid on 2 July 2009.

The year ended 31 December 2008 compared to the year ended 31 December 2007

(in € thousands)	**Year ended 31 December (audited)**	
	2008	**2007**
Revenue	29,485	17,706
Gross profit	20,207	11,345
Marketing and sales expenses	7,817	2,551
Research and development expenses	97	45
General and administrative expenses[(1)]	8,342	4,307
Depreciation expenses	551	227
Amortization expenses	1,093	-
Operating profit	2,307	4,215

(1) General and administrative expenses do not include depreciation expenses and amortization expenses.

Operating review

Key geographies

Spain, Hungary, Italy and the South Eastern European region were the geographies that successfully generated the key volume growth for us in 2008. Germany and Greece were behind our expectations. Germany mainly because of an increase in the regulatory environment while Greece suffered from local competition with lower ethical and quality

standards. We also decided in June 2008 not to extend a contract with one of the leading maternity hospitals in Athens, due to too high commission fees. As a consequence, the profitability of the Greek subsidiary Cryo-Save Balcanica improved, although the number of samples stored was reduced by 2,000 on an annual basis.

Spain

Spain was our largest market in 2008. After the acquisition of Crio Cord in June 2008, we continued to operate with two subsidiaries, Crio Cord and Cryo-Save Espana S.A., which both have a strong brand name in the Spanish market. Sales volume in 2008 grew by 43% compared to 2007, strengthening our market position in Spain.

During 2008 Crio Cord benefited from contracts signed with private insurance companies and maternity hospitals, which gave the business a significant competitive advantage. Crio Cord also started joint marketing campaigns with private insurance companies in the second half of the year, which created more awareness and credibility for its services amongst potential customers. Prices in Spain are traditionally low, but Crio Cord and Cryo-Save Espana S.A. increased their prices in Q4 2008, to bring them in line with most of their competitors. We did not experience any adverse impact of this price increase, on the contrary, sales remained strong.

Hungary

We acquired a 70% interest in our Hungarian partner Sejtbank as of 1 February 2008. By increased marketing spend in combination with a targeted promotion campaign towards pregnant women, Sejtbank strengthened its leading position, resulting in a 15% sales volume increase in 2008 compared to 2007. Although local competition is strong in Hungary, Sejtbank increased its prices in Q4 2008, to bring it in line with its competitors. Like our Spanish operations, Sejtbank did not see a negative impact on sales volume from this price increase.

Italy

During 2008 we clearly benefited from the investments made in our Italian sales force. Together with a price increase at the beginning of 2008 our sales volume in 2008 more than doubled compared to 2007. Italy is the first country where we have introduced our Controlled Sharing Program which allows customers to opt for combined private/public storage (see also "Industry Overview – Public and private banking"). The Italian operation also offers the customers a down payment facility. On 1 October 2008 a General Manager was appointed in Italy to further strengthen and manage the organisation’s growth in this important market.

South Eastern Europe (including Greece)

In July 2008 we acquired the remaining 50% of the shares in our joint venture Cryo-Save Balcanica S.A., which has been our leading distributor in Greece since 2005. Cryo-Save Balcanica S.A. operates in the South Eastern European region through a partnership model.

During 2008 we suffered from fierce competition from small local players in Greece, resulting in a decrease of sales. As we are fully committed to our high ethical standards and qualitative business procedures, and do not compromise our standards or service quality, we chose not to pursue some sectors of the Greek market.

Sales were also lower in the second half year of 2008 because we chose not to extend a contract with one of the leading maternity hospitals in Athens which had requested prohibitively high fees for us to render our services. As a consequence, volume decreased

but profitability increased. In January 2008 the prices were increased in Greece, in line with our other European markets without any adverse effect on sales volume.

In response to these market conditions, the Greek operation changed its sales strategy during 2008 to engage local sales agents who are closer to the markets in which Cryo-Save Balcanica S.A. operates. Sales in the countries in the South Eastern European region (Romania, Bulgaria, Croatia, Serbia, Slovenia, Cyprus, Malta and Macedonia) almost tripled compared to 2007, making it a successful and important region for us. We successfully operate with partners in these countries, which work exclusively with us.

Other countries

The other countries, including Switzerland, South Africa, Czech Republic, the Netherlands, and Belgium account for 24% of our revenue in 2008. The number of samples stored from Swiss customers was 19% up in 2008 compared to 2007. The remaining countries all showed a performance in line with previous year.

Financial review

Revenue

Our revenue increased by 67% to €29.5 million in 2008 (2007 €17.7 million). Revenue was positively impacted by the release of deferred revenue of €0.3 million in 2008, representing income for the annual storage of all stored samples. Revenue growth was driven by a combination of the price increase implemented during 2008 across our operations, to be in line with most of our competitors, and the sales volume growth of 21% (25,169 samples stored in 2008 and 20,814 in 2007 respectively). Acquisitions contributed €6.8 million during 2008, excluding €1.8 million revenue from Output Pharma Services GmbH. The acquisitions impacted revenue as on completion. We recognized the full customer fee as revenue instead of the processing and storage fee we used to receive from our partners. We also consolidated 100% of the revenue of our previous joint ventures in South Eastern Europe and South Africa.

Geographical breakdown of revenue

€ in millions	**Year ended 31 December 2008 (unaudited)**	**Year ended 31 December 2007 (unaudited)**
Spain	9,8	5,1
Hungary	4,9	2,0
Italy	4,2	1,8
South Eastern Europe (including Greece)	3,4	3,5
Other countries	5,4	4,9
Sub-total revenue from samples stored	**27,7**	**17,2**
Other revenue[(1)]	1,8	0,5
Total	**29,5**	**17,7**

(1) Other revenue relates to sales from Output Pharma Services GmbH, acquired in January 2008, that provides services to pharmaceutical companies.

Gross profit and gross margin

Gross profit increased by 79% to €20.2 million in 2008 (2007 €11.3 million). The impact from acquisitions and the price increase, which was introduced across our operations during 2008, were the main drivers for growth. Reported gross margin increased to 68.5% in 2008 compared to 64.1% in 2007.

Operating expenses

Operating expenses, excluding depreciation and amortization, as planned increased to €16.3 million in 2008 (2007 €6.9 million) reflecting our acquisitions and substantial investment programme to support the international growth strategy. The operating expenses from acquisitions, excluding depreciation and amortization, mainly related to marketing and sales expenses of the acquired entities and amounted to €4.3 million in 2008.

We expensed start-up costs for our new operations in India €0.4 million and France €0.2 million in 2008. In India sales activities started in November 2008 and the processing and storage facility has been accredited by the Indian authorities. Over 30 people have been recruited, mainly sales staff. In France the new General Manager was appointed on 1 October 2008, together with some employees to start up the business.

We incurred the full year impact of the Italian and German sales organisation which were recruited during 2007 and early 2008, as well as the costs of the new General Managers for these countries, both of whom started at 1 October 2008. Operating expenses of these two countries, excluding the acquired company Output Pharma Services GmbH in Germany, increased by €1.7 million in 2008 compared to 2007.

We substantially strengthened our internal organisation as outlined above. We also experienced costs related to our shares being admitted to trading on AIM.

EBITDA

EBITDA was €4.0 million in 2008 (2007 €4.4 million) as a result of strategic decisions to accelerate our international investment and growth strategy.

Operating profit

Underlying operating profit (before €1.1 million amortization) was €3.4 million in 2008 (2007 €4.2 million). Amortization relates to the identified intangible assets (brand name, customer database) of the acquired companies. Reported operating profit was €2.3 million in 2008 (2007 €4.2 million)

Finance income and costs

Finance income increased from €0.4 million in 2007 to €1.0 million in 2008 mainly because of the interest on bank deposits €0.4 million and translation difference gains €0.2 million. The increase of finance costs of €0.4 million is mainly caused by the non-cash unwinding of the net present value of earn-out liabilities regarding the acquisitions.

Profit before taxation

Our underlying profit before taxation (before €1.1 million amortization) was €4.0 million in 2008 (2007 €4.5 million) with reported profit before taxation of €2.9 million in 2008 (2007 €4.5 million).

Taxation

The effective tax rate was 10.2% in 2008 (2007 13.9%). Taxation in countries with high profits like Spain and Hungary with tax rates around 30% and 20% respectively, was more than offset in 2008 by profits in Switzerland taxable at 10%, and by untaxed profits in the Netherlands due to previously unrecognized tax losses.

Profit for the year

Profit for the year was €2.6 million in 2008 (2007 €3.9 million).

Earnings per share

Reported basic and diluted earnings amounted to 5.5 euro cents per share with a nominal value of €0.02 in 2008 (adjusted for the Share Consolidation, amounting to 27.5 euro cents per share with a nominal value of €0.10) (2007 10.3 euro cents per share with a nominal value of €0.02, adjusted for the Share Consolidation, amounting to 51.5 euro cents per share with a nominal value of €0.10). Underlying earnings (before €1.1 million amortization and €0.3 million related income tax expense) amounted to 7.2 euro cents per share with a nominal value of €0.02 in 2008 (adjusted for the Share Consolidation, amounting to 35.9 euro cents per share with a nominal value of €0.10) (2007 10.3 euro cents per share with a nominal value of €0.02, adjusted for the Share Consolidation, 51.5 euro cents per share with a nominal value of €0.10).

Cash flow

We generated net cash from operations of €1.9 million in 2008 (2007 €1.7 million, excluding the one-off €3.0 million redemption of loans and current accounts by related parties). Working capital increased in 2008 due to higher trade and other receivables of €1.1 million and tax assets of €1.0 million. Trade receivables increased in line with the growth of the business, mainly caused by higher volume and higher prices, whilst the average days of outstanding receivables did not change materially. Tax assets include a one-off VAT receivable of €0.7 million relating to the purchase of the French building, which we received in the first half year of 2009.

In 2008 we spent €24.4 million on acquisitions (2007 €1.8 million) and €9.0 million on property, plant and equipment mainly related to the new buildings in Belgium and France. We repurchased 1,615,000 own shares in 2008, which are kept in treasury, for an amount of €3.1 million. As a result, the cash position decreased from €39.5 million at 1 January 2008 to €4.7 million at 31 December 2008.

Consolidated balance sheet

€ in thousands	**31 December 2008 (audited)**	**31 December 2007 (audited)**	**Variance (unaudited)**
Total non-current assets	49,803	3,768	46,035
Total current assets	14,345	48,146	(33,801)
Total equity	43,053	42,921	132
Total non-current liabilities	13,653	3,669	9,984
Total current liabilities	7,442	5,324	2,118

Total non-current assets

In 2008 we completed the acquisition of eight subsidiaries and business partners in Germany (Output Pharma Services and Stemcell, 100%), Hungary (Sejtbank, 70%), Czech Republic (Archiv Buněk, 70%), South Africa (Cryoclinic, 100% of which we held already 50%), Spain (Crio Cord, 100%), Portugal (Valor Conexo, 100%) and South Eastern Europe (Cryo-Save Balcanica, 100% of which we held already 50%). The total consideration amounted €30.9 million including contingent earn out liabilities, resulting in goodwill of €25.1 million.

For all acquisitions the purchase price has been allocated to the acquired assets and liabilities within 12 months from the acquisition date, including €12.0 million identified intangible assets. We also capitalized €0.4 million to internally generated intangible assets, relating to the development of the new added feature to our Cryo-Cord service - the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSCs) - and Cryo-Lip, and a new website.

We invested €9.0 million in property, plant and equipment, consisting of €7.2 million to land and buildings, relating to the two new buildings in Niel, Belgium and Lyon, France, €1.5 million to laboratory and office equipment, and €0.3 million to other tangible assets.

Total current assets

The main change compared to 2007 is the decrease in the cash balance as a result of acquisitions and investment in buildings.

Trade and other receivables did not materially change on balance, although trade receivables increased with €1.0 million mainly caused by the acquisitions which trade receivables now are consolidated, and the organic growth of revenue due to higher volume and prices.

Total equity

Total equity increased with €0.1 million on balance, to €43.1 million at year end 2008, mainly due to the profit for the year of €2.6 million, a decrease of €3.1 million related to repurchased own shares and an increase in equity of €0.6 million, related to foreign exchange differences on investments, share-based payments expenses and revaluations.

During 2008 we acquired 1,615,000 own shares under our share buy-back programme. At 31 December 2008 we held 1,770,000 own shares in treasury, which are recorded at cost, representing the market price on the acquisition date.

Total non-current liabilities

Total non-current liabilities of €13.7 million at 31 December 2008 (2007 €3.7 million) contains amongst others the present value of deferred revenue, amounting to €4.9 million, that cover the estimated remaining costs of the 20 years storage period. The increase from €3.7 million at 31 December 2007 to €4.9 million at 31 December 2008 is the balance of additions to deferred revenue due to the storage of new samples in 2008 less the release to the income statement for the storage in 2008, and the difference between the present value as at 31 December 2008 and 2007 respectively.

Deferred tax liabilities of €2.8 million as at 31 December 2008 comprised the intangible assets allocated for the acquisitions in 2008.

Furthermore, earn out liabilities based on predefined performance criteria to former shareholders of Sejtbank, Archiv Buněk s.r.o. and Crio Cord according to the sale and purchase agreements, were recognized at their net present value estimated at €5.8 million.

Total current liabilities

Total current liabilities increased from €5.3 million at 31 December 2007 to €7.4 million at 31 December 2008, mainly due to trade and other payables, that include the short-term part of

deferred considerations to former shareholders of acquired companies €0.9 million, and expense accruals that directly relate to the growth of the operations.

The year ended 31 December 2007 compared to the year ended 31 December 2006

(in € thousands)	Year ended 31 December (audited)	
	2007	**2006**
Revenue	17,706	10,923
Gross profit	11,345	6,966
Marketing and sales expenses	2,551	1,569
Research and development expenses	45	114
General and administrative expenses[(1)]	4,307	2,357
Depreciation expenses	227	155
Amortization expenses	-	-
Operating profit	4,215	2,771

(1) General and administrative expenses do not include depreciation expenses and amortization expenses.

Overview

2007 was a very successful year for us and one in which we have seen the investments made in prior years begin to bear fruit, and marked by the debut as a public company.

We were admitted to trading on AIM on 6 November 2007, and raised €37.9 million in gross proceeds to enable us to execute our strategy to further invest in growing the business both organically and by acquisitions.

Being a public company not only gave us greater visibility, but also has provided the resources required to make the planned investments in our sales and marketing infrastructure and processing and storage facilities, to provide us with solid foundations for further growth in the future.

At year end 2007, we had stored around 70,000 stem cell samples in total, confirming our position as Europe's largest adult stem cell storage bank. We operated in 36 countries, with an unmatched geographic coverage that mitigates dependency on any one country. We concluded the negotiations in respect of the acquisition of three entities in Germany and Italy in December 2007, strengthening our position in these two key markets. Strong organic growth in our existing markets and positive developments into new markets such as the Balkan countries continued to provide strong momentum for growth in our business.

In addition to our core business of storage of cord blood cells, development of new services such as the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSC) - a new feature that was added to our Cryo-Cord service as of June 2008 and the collection and storage of stem cells obtained from fat reserves via liposuction (Cryo-Lip) progressed well during 2007.

Following a competitive application process involving approximately 800 applicants, we, in close collaboration with the University of Cologne, Fraunhofer-Institut für Biomedizinische Technik, Medical University of Vienna, University of Zurich, Catholic University Leuven and University of Antwerp, were selected in 2006 by the European Commission to conduct research into cryopreservation techniques for adult stem cells. We have the rights to patent the intellectual property (IP) that will result out of this project, which is called Project Crystal.

As part of our philosophy of continuously improving our service offering, and accelerated by the strong financial performance in 2007, we further improved the quality of processing in our processing and storage facilities by introducing a closed bag storage system, avoiding the need of a clean room and decreasing the risk of contamination. This technique was further developed to a closed system, allowing to process and split the sample into two separate samples to be stored separately.

Operating review

Spain

Sales in Spain accelerated in the first quarter of 2007 as a result of the publicity generated when the Crown Prince announced the storage of his child's stem cells. The growth has proven to be sustainable during the year 2007. Beside our own subsidiary operating in Spain, the other successful sales channel was Crio Cord - at that time our business partner -, based in Madrid, covering the whole country.

During 2007, we signed contracts with maternity hospitals in the main cities of Spain.

Hungary

2007 sales in Hungary, at that time via our business partner Sejtbank, almost doubled when compared to 2006. The appreciation in the market of Sejtbank's and our services further increased through targeted marketing, and the opportunity for customers to opt for an extended payment term of one or two years. One of our objectives was to acquire this distributor to improve control over the entity and its results, and benefit from the great potentials of the Hungarian market the coming years. The acquisition was concluded early 2008.

Italy

In 2007, we strengthened our Italian sales force, which now covers the whole country. As a result, the sales increased significantly. With the required structure in place, we expect to further benefit from our 2007 investments in 2008.

At year end 2007, we acquired the 30% minority share of our Italian subsidiary, in accordance with our strategic objectives to obtain full control over our subsidiaries.

South Eastern Europe (including Greece)

Under supervision of Cryo-Save Balcanica S.A., at the time our joint-venture in Greece, we started operations in several Balkan countries, of which Slovenia was most successful in 2007. These new sales almost completely offset the drop of sales in Greece in 2007, which became apparent during the second half of that year.

In 2007, Greece was one of Europe's strongest markets for cord blood banking, with an estimated 20% of all live births resulting in storage of cord blood cells. However, during 2007,

we faced strong competition from local players. We are fully committed to our high ethical and qualitative business procedures and do not accept to compromise our standards. Even with these adverse market conditions, we increased our prices in January 2008 bringing them more in line with the prices of our local competitors and with other European countries in which we operate, with no adverse reactions from potential customers.

Geographic expansion into new markets

In 2007 our associate Cryo-Save Arabia started the storage of samples in the Middle East. Samples are stored in the processing and storage facility in Dubai, which was built with our support and according to our highest quality standards.

In 2007, we also continued to investigate the possibility to start doing business in India via an acquisition or a green field operation. Therefore, we announced we had established our own entity in Bangalore, India early 2008, and would built our own processing and storage facility in accordance with the highest standards we apply. In November 2008 the processing and storage facility was operational, and the Indian operation started to process and store its first samples.

Applied research and development of new services

During 2007 the development of the two new services, the collection, processing, preservation and storage of the umbilical cord tissue containing MSCs and Cryo-Lip started, which was based upon research in prior years that demonstrated the technical feasibility of completing these new services.

We, together with several European scientific partners, were selected by the European Commission, to conduct research into cryopreservation techniques for adult stem cells (Project Crystal www.crystal-eu.org). From the total research grant of €2.4 million, €0.3 million was granted to us on a matched funding basis, which should cover 50% of our research cost for this project. In the period up to the date of this Prospectus we received a total amount of €0.2 million.

In October 2007 we participated in a successful seminar organized by ITERA (www.itera-ls.org), the International Tissue Engineering Research Association, an international scientific and medical consortium. We learned about major research projects ongoing all over the world, focused on several medical therapies, and could profile ourselves as leader of the stem cell storage companies.

Laboratory development

Since October 2007, we have introduced an integrated sterile closed processing system which further mitigates the risk of contamination, avoids the need for clean rooms and thus increases the efficiency of the storage process. This simplified and automated processing method exemplifies our continuous search for further quality improvements.

Financial review

Revenue

Our revenue increased to €17.7 million in 2007, representing a 62% increase compared to the prior year (2006: €10.9 million). Revenues were positively impacted by the release of deferred revenues of approximately €0.7 million, and a service fee of €0.5 million to our associate in Dubai for the knowledge transfer, training of local staff and the implementation of the required Standard of Procedures. The sales volume growth of 41% (20,814 samples

stored in 2007 and 14,721 in 2006 respectively) also contributed significantly to the revenue growth. Prices charged to customers and business partners remained unchanged in 2007.

Geographical breakdown of revenue

€ in millions	**Year ended 31 December 2007 (unaudited)**	**Year ended 31 December 2006 (unaudited)**
Spain	5,1	1,2
Hungary	2,0	1,1
Italy	1,8	0,7
South Eastern Europe (including Greece)	3,5	4,2
Other countries	4,9	3,8
Sub-total revenue from samples stored	**17,2**	**10,9**
Other revenue	0,5	-
Total	**17,7**	**10,9**

Gross profit and gross margin

Gross profit increased in 2007 to €11.3 million (2006 €7.0 million). Adjusted for the service fee of €0.5 million in 2007, the gross margin on sales in 2007 slightly decreased to 63% compared to 64% in 2006. One of the items that caused higher cost of sales was the introduction of the closed bag storage system.

Operating expenses

Operating expenses in 2007 were €7.1 million compared to €4.2 million in 2006. The main developments that caused the increase of the operating expenses in 2007 were the following:

- Substantial investments in our Italian and German sales organisations

  In the second quarter of 2007 we recruited a senior director to set up the Italian organisation. Furthermore, we recruited several sales employees in Italy in the second half year of 2007 that resulted in an increase of new customers in the last months of the year.

  For the German market, we appointed several new trainers for training medical professionals which is a typical legal requirement for this market.

- Strengthening our management

  In August 2007, Rob Koremans and Arnoud van Tulder joined us. They were appointed as Chief Executive Officer and Chief Financial Officer respectively, on 1 October 2007. Werner Spinner was appointed as new Non-Executive Director on 1 October 2007.

- Strengthening the internal organisation

  The number of employees at central departments in the Netherlands was increased in 2007 to support the growth of our activities. This related to the financial department, archiving, legal department especially for the German market and the call centre for international sales in Europe.

- Non-recurring expenses regarding the AIM Quotation of 0.9 million.

  The expenses made regarding the AIM Quotation in 2007 directly attributable to the issuance of new shares and listing of existing shares amounted to €4.0 million. These expenses had to be allocated to the listing of existing shares and issuance of new shares in proportion to the allocation of proceeds, which is based on the number of shares. As a result, €3.1 million was charged to equity and €0.9 million recognized as non-recurring expense in the income statement. Due to unused tax losses in the Netherlands which were not capitalized, no tax benefit has been taken into account for these AIM Quotation expenses.

Operating profit

Operating profit increased from €2.8 million in 2006 to €4.2 million in 2007, representing an increase of 52%.

Finance income and costs

Finance income increased from €0.2 million in 2006 to €0.4 million in 2007 due to the interest on the net AIM Quotation proceeds of €33.9 million.

Taxation

The 2007 effective tax rate of 13.9% was affected by the AIM Quotation expenses of €0.9 million recognized in the income statement, for which no tax benefit has been recognized.

Profit for the year

Profit for the year 2007 increased to €3.9 million (2006 €2.0 million).

Earnings per share

Basic and diluted earnings per share amounted to 10.3 euro cents per share with a nominal value of €0.02 in 2007 (adjusted for the Share Consolidation 51.5 euro cents per share with a nominal value of €0.10) (2006: 28.7 euro cents per share with a nominal value of €0.10).

Cash flow

Cash flow from operations increased from €1.6 million in 2006 to €4.7 million in 2007, including a slight improvement of working capital of around €0.3 million.

Consolidated balance sheet

€ in thousands	**31 December 2007 (audited)**	**31 December 2006 (audited)**	**Variance (unaudited)**
Total con-current assets	3,768	815	2,953
Total current assets	48,146	9,434	38,712
Total equity	42,921	4,647	38,274
Total non-current liabilities	3,669	3,039	630
Total current liabilities	5,324	2,563	2,761

Total non-current assets

In December 2007 we acquired the remaining 30% minority interest in our Italian subsidiary Cryo-Save Italia S.r.L. The purchase price of €1.8 million has been recognized as goodwill pending the purchase price allocation, for which we had a 12-month period following the acquisition.

We also prepaid the total consideration of €0.8 million in December 2007 for the acquisition of two German entities, Stemcell GmbH and Output Pharma Services GmbH, effected in January 2008. These acquisitions did not contribute to revenue in 2007.

In 2007 we completed the research phase of two internal projects for new services and started the development phase. We capitalized €0.2 million development expenditures in 2007.

Total current assets

Mainly due to the AIM Quotation (€33.9 million net proceeds) and the net cash from operating and investing activities (€1.9 million on balance), cash and cash equivalents significantly increased to €39.5 million (2006 €3.2 million).

Trade receivables increased with €3.1 million from €2.9 million in 2006 to €6.0 million in 2007, mainly caused by an increase of the receivable from Sejtbank (+€1.2 million), growth of the business in Spain (+€1.3 million) and the service fee receivable from our Arabian associate (€0.5 million).

Total equity

Total equity mainly increased due to the proceeds from the AIM Quotation of €34.8 million and profit for the year of €3.9 million. We placed 12,639,000 new shares in the context of the AIM Quotation.

To cover the dilutive effect of the share options granted under the 2007 Share Option Scheme to the Executive Directors and senior management, and the warrant that was granted to Kaupthing Singer & Friedlander Capital Markets Limited in the context of the AIM Quotation (which was cancelled at 30 June 2008), we started a share buy back programme in 2007. At the year end we had acquired 155,000 own shares with a nominal value of €0.02 each, which are kept in treasury.

Share-based payments recognized in equity also included the payments in our shares, made to two Non-Executive Directors for their 2007/2008 annual remuneration of €30,000 each.

Total non-current liabilities

Total non-current liabilities consisted of the present value of deferred revenue that cover the estimated remaining costs of the 20 years storage period. The increase was the balance of additions to deferred revenue due to the storage of new samples in 2007 less the release to the income statement for the storage in 2007 and the difference between the present value as at 31 December 2007 and 2006 respectively.

Total current liabilities

Total current liabilities increased as a result of timing differences of payments and higher accruals, reflecting the growth of the business.

Industry Overview

Industry background

Cord blood storage is a growing though still an immature industry, split between private and public storage banks.

The first private samples were stored in the United States in the early 1990s.

The cord blood banking industry is relatively fragmented, with a few large companies and many small ones, usually serving just their local area. It is estimated that there are around 29 private organisations collecting samples in the United States (*source: Bioinformant Market Report*). In Europe, it is estimated there are approximately 49 organisations collecting cord blood for private storage (*source: Bioinformant Market Report*).

Many of these organisations do not have their own storage facilities, but instead pay others to store samples for them and they effectively act as a marketing organisation. Some smaller companies have only a few thousand samples stored.

The table below gives estimates of the leaders in the United States and Europe

Cord Blood stem cell storage companies

Company	Country	Samples in storage	Date started	Initial costs	Annual storage fees
Cord Blood Registry	USA	300,000	1995	$2,025	$125
Via Cord	USA	200,000	1993	$2,070	$125
Cryo-Cell	USA	185,000	1989	$1,595	$125
Cryo-Save	Netherlands	110,000(2)	2000	€1,895(1)	-
Vita34	Germany	60,000	1997	€1,990	€30

(1) Price including the storage fees for 20 year
(2) On the date of this Prospectus, we have more than 115,000 samples in storage

Sources: company websites, data as of August 2009

We are the European market leader based on samples stored and we estimate that we have a market share in Europe of 50%.

The above table also illustrates the different pricing models that are in operation. Companies generally charge a collection, processing and initial one-year storage fee, and then an annual storage fee for the next 20 years. Others, like us, charge the fees upfront for 20 years storage following collection and processing.

Market potential

We believe that there are significant growth opportunities for our business and the industry as a whole.

According to statistics of the Central Intelligence Agency (CIA), there are approximately 4.2 million live births in the US annually and according to *Eurostat – Key figures on Europe 2009 edition* – around 5.3 million in Europe. In the United States, cord blood banking has been an established practice for 25 years, and we estimate that in the United States approximately 4% of live births result in private stem cell storage. In Europe, where the average private storage level is much lower, we estimate that currently approximately 1% of live births results in private stem cell storage.

We believe that the main reason that European storage levels are currently significantly lower than those in the United States primarily results from awareness in Europe currently being low among expectant parents who rely on medical professionals, word of mouth and the media to inform them of the availability and suitability of this service. However, we believe that increased acceptance of adult stem cell research is likely to result in a European stem cell storage market comparable to that of the US. The current stem cell storage market within Europe is also not homogenous: in some European countries, such as Greece, the incidence of cord blood banking already exceeds that of the United States.

In the future, we believe that a number of key events could stimulate the market:

- Success of diseases being treated with stem cells. If conclusive evidence demonstrated that, for instance, organs could be grown in vivo (in the body) or that significant improvements were seen in diabetes sufferers, public interest in stem cell therapy (and storage) would be significantly enhanced;

- Countries introducing legislation to make it mandatory for clinicians to inform parents about the possibility of storing cord blood (as has occurred in the state of New York, United States);

- If established medical opinion recommends storing cord blood stem cells this would clearly be beneficial for us;

- Governments and insurance companies may see the storage of an infant's cord blood as potentially saving them money in the future in that diseases, which are currently untreatable or expensive to treat over long periods, may become treatable. As such health insurance companies may make storage part of their ongoing policies. In Spain the majority of private insurance companies actively recommend the storage of stem cells; and

- As the industry grows, its combined marketing spend will increase significantly, thereby increasing market awareness.

Public and private banking

We see the development of combined public and private banking as an interesting business model. In January 2007 we entered into an agreement with Osidea Association, an Italian not-for-profit organisation dedicated to the health of the Sardinian community which is promoting the storage of umbilical cord blood stem cells. The parents pay fees in the normal way but at the signing of the contractual arrangements, they agree to make the sample available in a public bank. Under these agreements parents will have the opportunity to donate HSCs and MSCs for public use as well as keeping their own sample privately. This hybrid system, which we call the Controlled Sharing Program, enables the sample to be available to potentially the whole population and will facilitate the introduction of cord blood storage in countries where it is currently politically difficult to offer the service.

Business

Overview

We are a profitable healthcare services group whose business focuses on the collection, processing, preservation and storage at birth of human adult stem cells collected from the umbilical cord blood and of the cord itself. Cryo-Save Group N.V. was founded in 2000 in the Netherlands. We currently trade in 38 countries, principally in Europe. We have two processing and storage facilities (Niel, Belgium and Bangalore, India) and have access to another two such facilities (Dubai, UAE and Mannheim, Germany) where we have to date stored in excess of 115,000 stem cell samples, which we estimate represents approximately 50% of the total cord blood stem cell samples stored in Europe. Mid 2008, we were the first to introduce the service of storage of the umbilical cord tissue and have stored more than 2,500 umbilical cords to date. We are the largest adult stem cell storage group in Europe based on stored samples. In 2008, we had annual revenues of €29.5 million and profit before taxation of €2.9 million.

Stem cells are unspecialised cells which have the ability to replicate and transform into a range of specialised cell types which form the basis of different human tissues[1]. The application of stem cells for the regeneration of human tissue is used in medical therapies. The development of stem cell therapies with cord blood is an important achievement of modern medicine. Twenty years ago just one disease could be treated with umbilical cord stem cells; ten years ago only a handful. Today over 70 routine therapies and around another 15 clinical trials are currently applying cord blood stem cells in hospital based treatments.

Our current services allow parents and guardians to collect and cryogenically preserve a child's stem cells contained in the blood of the umbilical cord, or to collect and preserve the cord itself, so that they may be used in medical therapies if the child so requires during his or her lifetime. Samples are collected immediately following birth and are delivered to our facilities for further processing, analysis and storage. Samples are stored in the gas phase of liquid nitrogen using sophisticated biological storage techniques. The storage, permanently monitored under controlled conditions, is for a minimum of 20 years. After around 20 years the child is offered the opportunity to continue with the storage and, on payment of a further fee, may store his or her sample for a longer period. The collection of adult stem cells from the umbilical cord is widely considered to be non-invasive, straightforward and safe.

Cord blood banking is a rapidly growing industry which has evolved as a result of significant developments in the field of stem cell research. It has been an established practice in the United States for 25 years, where we estimate approximately 4% of live births result in private stem cell storage, contrasting with rates in Europe, where we estimate currently approximately 1% of live births result in private stem cell storage. Adult stem cells from the umbilical cord have a number of uses and are considered particularly promising for medical therapies. Significantly, the collection and use of adult stem cells can be clearly distinguished from the collection and use of stem cells taken from embryos (embryonic stem cells). While the use of embryonic stem cells in research and medical therapies is the subject of ethical concerns, several religious and regulatory bodies, including the Catholic Church, have expressly supported the use of adult stem cells for these purposes. We have never been, nor intend to become, involved in the storage or collection of embryonic stem cells.

[1] For further information on stem cells, see "Business - Stem Cells"

Crio-Cord is and has been our core business during the entire period covered by the historical financial information included in this Prospectus. Cryo-Cord involves the provision of materials and standard operating procedures for (i) the collection, processing, preservation and storage of haematopoietic stem cells (HSCs) taken from the umbilical cord blood, as well as (ii) the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSCs), the latter being a new feature we added to our Cryo-Cord service in June 2008 in addition to, and separate from, the collection of HSCs taken from the cord blood. We are currently developing a new service, Cryo-Lip, which we intend to introduce to the market in the first half year of 2010. Cryo-Lip involves the collection, processing, preservation and storage of fat tissue containing MSCs obtained via liposuction from adults. In addition, we are looking to develop other sources of income which are based on cryopreservation techniques and processes.

Key strengths

We believe that our key strengths are:

- we are profitable, cash generative and have a strong cash position;
- our track record of sustainable growth of our sales and results;
- our international reach, which is supported by the number of jurisdictions in which we hold the relevant approvals for the collection of stem cells;
- our position as Europe's leading adult stem cell storage business;
- that we employ many skilled scientists and the largest sales force team of any stem cell organisation in Europe;
- the size and scale of our state-of-the-art processing and storage facilities; and
- the growth opportunities arising from our new service offerings.

History and development

Cryo-Save Group N.V. was co-founded in 2000 by Marc Waeterschoot and Johan Goossens in order to introduce, and develop the opportunities in, adult stem cell storage in the European market. We initially raised €3.5 million of seed financing and used the majority of those funds to acquire a licence from Cryo-Cell, a US NASDAQ quoted stem cell storage company. Under this licence we acquired the right to use the Cryo-Cell name, technology and business processes in Europe to establish our own stem cell storage business. In 2003, we terminated our licensing agreement with Cryo-Cell and re-branded our operations as "Cryo-Save". We no longer have any contractual arrangements with Cryo-Cell.

Our holding and finance centre was established in Zutphen, the Netherlands with the principal processing and storage facility in Mechelen, Belgium. All management and marketing activities are carried out through Cryo-Save AG, the operating company established in Switzerland. In pursuing international expansion, our strategy was to establish operations in conjunction with a local partner who typically had a scientific or medical background. The local partner would usually take responsibility for driving the operation forward in the relevant jurisdiction and would be responsible for sales, marketing and obtaining the relevant approvals for the collection of stem cells. We would provide the local partner with technical expertise and support, as well as processing and storage services through our facilities.

On 6 November 2007 our shares were admitted to trading on the AIM market of the London Stock Exchange and we raised €33.9 million in net proceeds to pursue our strategy of acquiring business partners and competitors, to invest in marketing and sales and in our processing and storage facilities.

2008 was a transitional year for us. We transformed from a company with a central facility in Belgium, with sales offices and business partners, into a multinational business with subsidiaries across Europe, Asia, and South Africa. This was achieved by completing the acquisition of eight subsidiaries and business partners in Germany (Output Pharma Services and Stemcell, 100%), Hungary (Sejtbank, 70%), Czech Republic (Archiv Buněk, 70%), South Africa (Cryoclinic, 100% of which we held already 50%), Spain (Crio Cord, 100%), Portugal (Valor Conexo, 100%) and South Eastern Europe (Cryo-Save Balcanica, 100% of which we held already 50%) (see "Business - Current markets"). We also expanded our processing and storage capacity, by building a new state-of-the-art processing and storage facility in Niel, Belgium and we acquired a new site in Lyon, France (see "Business – Processing and storage facilities"). We expanded our operations across Europe, and started new operations in France and in India (see "Business - Current markets").

In August 2009, we moved our Belgian processing and storage activities from Mechelen to our new Niel facility to cover the significant growth of our business, and subsequently closed the Mechelen facility. Also in 2009, we acquired Salus Futura S.r.L., a service company in Italy (see "Business - Current markets").

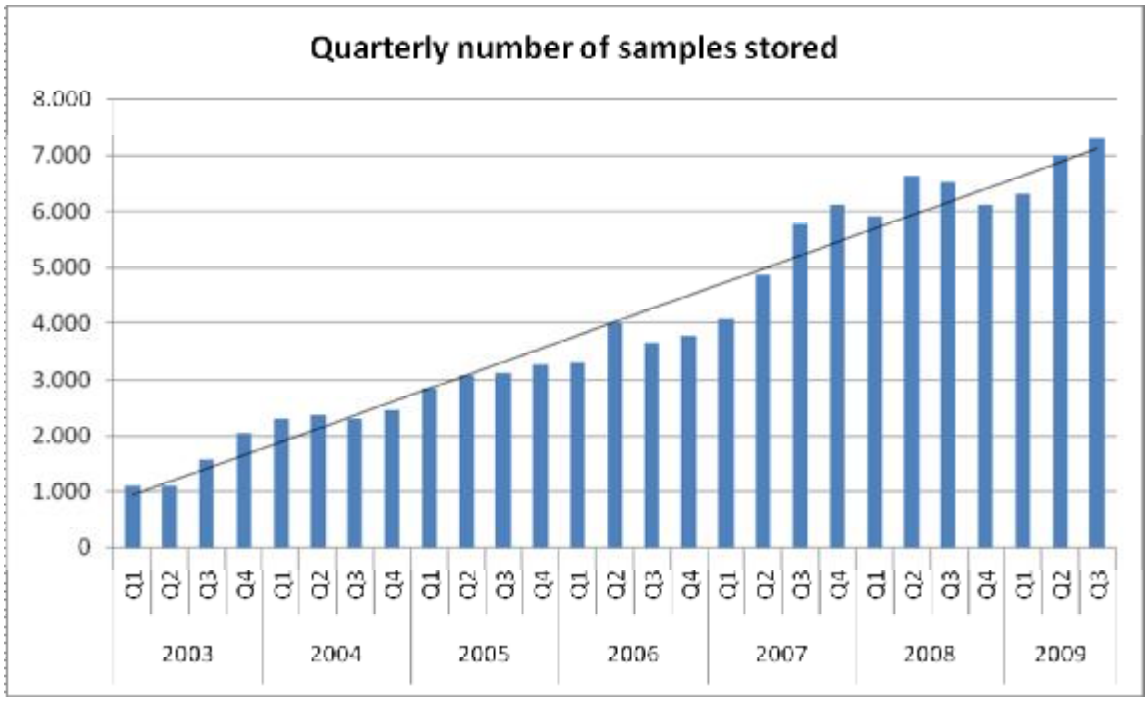
By acquiring our (former) business partners we have further improved our control over these operations, enabling us to determine the marketing and communications to our customers and the price setting.

Besides the acquisitions of our (former) business partners we acquired independent businesses to accelerate our growth in certain countries and thereby strengthened our market position.

In order to maintain control over our expanding operations we have implemented measures to improve our control over these international entities and their expanding operations by investing in our infrastructure and the senior management of these entities. Additionally we have strengthened our international marketing and sales force.

We currently trade in, and have an international reach to, 38 markets, providing not only a wide addressable market, but also what we believe to be a robust business model which limits our dependency on one single market.

The table below shows our growth by reference to the number of samples stored over time.



We continue to focus on growth and in particular on developing markets in larger European countries where public demand for adult stem cell storage is increasing.

In the past, the major European Catholic countries (Spain, Italy and France) have had ethical concerns in relation to stem cell research. However, as the use of adult stem cells in medical therapy is now clearly distinguished from the more ethically controversial embryonic stem cell research, these and other countries are beginning to reconsider their ethical position, leading to opportunities in major new markets.

We believe that this increased acceptance of adult stem cell research is likely to result in a European stem cell storage market comparable to that of the United States, where we estimate approximately 4% of live births results in private stem cell storage. We believe that in the medium term, the estimated European average private stem cell storage level, which we currently estimate at 1% of live births, is likely to climb towards private storage levels in the United States, increasing the total available European market to more than 200,000 samples a year. The current stem cell storage market within Europe is also not homogenous: in some European countries, such as Greece, Hungary, Portugal, Serbia and Spain the incidence of cord blood banking already exceeds that of the United States.

We continue to develop into international markets such as the Middle East, Russia and Turkey. These countries have comparatively wealthy and educated middle classes and as a result we consider these as good potential markets. We can establish processing and storage facilities in most locations, if required, within a comparatively short timeframe thereby enabling us to commence operations in new markets relative quickly and to take advantage of any developing jurisdictions.

Strategy

Our strategy is built on the following elements:

Developing existing markets

Due to the nascent state of the industry, we believe that there is still a considerable growth potential in the European markets in which we are already operating and we will continue to develop and strengthen our position further in these existing markets.

Geographic growth into new markets

European markets — we are well placed to take advantage of the opportunities presented especially by Eastern European markets which have emerged and where consumer spending has increased over the last few years, making stem cell storage a service that can be exploited commercially. We are also well positioned to benefit from changes in legislation in selected other European countries where private stem cell storage is contemplated but currently prohibited. We expect legislative change to open these markets to private storage companies in the short to medium term (See "Risk Factors - Developments in regulatory laws").

Emerging markets — such as Russia, Turkey, Asia and South America where stem cell storage is still a comparatively unknown process, are being targeted by us. Preferably, we would enter these markets using local partners and consequently without incurring significant start up cost, although there may be reasons not to adhere to this preferential approach, such as for instance in South America, where for practical reasons we may need to acquire or build a processing and storage facility.

Growth by acquisition

Whilst we are seeking to develop our existing business through organic growth, we are also actively seeking opportunities to broaden our service offering and to extend the geographic reach of existing services through the acquisition of businesses that are considered to be a good fit with our culture, ethics and standards.

Development of new services

Cryo-Lip: we intend to introduce this new service in the market in the first half year of 2010 and we believe it will offer significant potential markets in the future.

Cryo-Preservation: we are investigating in-house the (potential) application of cryopreservation to other services and processes by expanding our cryopreservation know-how and facilities. This might result in the introduction of new services in the mid term.

Other services will continue to be developed, assessed and launched in line with our proven research and development policy.

Stem cells

Introduction[1]

Stem cells are basic foundation cells for every cell in the human body. They are unspecialised cells that have not yet differentiated (evolved) into any specific type of tissue and which are therefore still capable of becoming a wide range of specialised cell types. Stem cells are common to all multicellular organisms and they have the ability to renew themselves through cell division while remaining in the undifferentiated state. Stem cells can, through cell culture, be grown and differentiated into specialised cells, with characteristics consistent with cells of various tissues such as muscles or nerves. Stem cells can therefore potentially be used to repair or replace damaged tissue, thereby enabling new therapies, or aiding recovery from diseases and other cell damage including, cancer, diabetes, cardiovascular disease and blood diseases.

As a stem cell matures it moves closer to a specific cell type and the changes that the cell undergoes limit the cell types into which it can differentiate. Each successive change moves the cell closer to the final cell type determination, and so limits its potential cell type until it is fully differentiated (changed).

Adult stem cells[2]

There are two types of stem cells: embryonic stem cells and adult stem cells. Embryonic stem cells are derived from embryos which are typically four or five days old. Embryonic stem cells are capable of differentiating into many cell types. Adult stem cells are derived from non-embryonic cells, and are more directed than embryonic stem cells in their potential to develop into different cell types.

There are currently two main types of adult stem cells, haematopoietic stem cells (HSCs) and mesenchymal stem cells (MSCs).

Haematopoietic stem cells[3]

HSCs are a well-characterised population of adult stem cells, which are committed to developing into blood cells. They are relatively easy to obtain and have been used for decades to treat blood cancers and other blood disorders through transplant.

Mesenchymal stem cells[4]

MSCs are another well-characterised population of adult stem cells. They can form a variety of cells and tissue *in vitro* under experimental laboratory conditions, including fat cells, cartilage, bone, tendon and ligaments, muscles cells, skin cells and even nerve cells. MSCs have been studied in great detail and techniques for the isolation and growth of MSCs in culture have been and are being established. The cells can be maintained and grown in culture for long periods of time, although viable commercial expansion techniques are still under development.

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[1] Stem Cell Information, The National Institutes of Health resource for stem cell research, http://stemcells.nih.gov/info/basics/basics1.asp

[2] Stem Cell Information, The National Institutes of Health resource for stem cell research, http://stemcells.nih.gov/info/basics/basics4.asp

[3] International Society for Stem Cell Research, Adult Stem Cells by Suzanne Kadereit, http://www.isscr.org/public/Adult_SC.pdf

[4] International Society for Stem Cell Research, Adult Stem Cells by Suzanne Kadereit, http://www.isscr.org/public/Adult_SC.pdf

New genes can be introduced into and maintained in MSCs offering improved approaches for gene therapy. MSCs can be easily obtained in sufficiently large quantities for clinical applications, making them good candidates for use in therapies and tissue repair. This mixture of versatility and availability makes these cells highly suitable for treatment of different conditions and therefore favouring their cryopreservation and storage.

MSCs can be preserved by controlled freezing under appropriate conditions. When they are thawed it has been proven that they function normally, thus allowing development of for future "off-the-shelf" therapy approaches.

Services

Our core business is Cryo-Cord which involves the provision of materials and standard operating procedures for (i) the collection, processing, preservation and storage of haematopoietic stem cells (HSCs) taken from the umbilical cord blood, as well as (ii) the collection, processing, preservation and storage of the umbilical cord tissue containing mesenchymal stem cells (MSCs), the latter being a new feature we added to our Cryo-Cord service in June 2008 in addition to, and separate from, the collection of HSCs taken from the cord blood. We are currently developing a new service, Cryo-Lip, which we intend to introduce to the market in the first half year of 2010. Cryo-Lip involves the collection, processing, preservation and storage of fat tissue containing MSCs obtained via liposuction from adults. In addition, we are looking to develop other sources of income which are based on cryopreservation techniques and processes.

Cryo-Cord

Our Cryo-Cord service consists of two elements: (i) the collection, processing, preservation and storage of HSCs taken from the umbilical cord and (ii) the collection, processing, preservation and storage of the umbilical cord tissue containing MSCs.

Collection, processing, preservation and storage of HSCs taken from the umbilical cord blood

The collection, processing, preservation and storage of HSCs taken from the umbilical cord blood currently contributes nearly all of our revenues and we believe that this will continue in the foreseeable future.

This element of our Cryo-Cord service includes the collection, processing, preservation and storage of stem cells found in a baby's umbilical cord blood. Expectant parents who wish to use the Cryo-Cord service complete an application available from our website (or from our relevant local sales company or business partner): on completion of the form, parents agree to pay a deposit ahead of the child's birth and to pay the balance of the price if the sample is successfully stored. In advance of the birth, a collection kit is provided to facilitate the collection and temperature regulated transport of the collected sample. The collection kits contain appropriate collection equipment and disinfectant materials, together with instructions for the midwife, or medical doctor. The umbilical cord blood is collected immediately following the birth when the cord is clamped, and approximately 100 ml of blood is collected in a qualified bag provided with the collection kit. The sample is delivered by appropriate courier services to one of our processing facilities, where it is processed and split into two separate samples to be stored separately. This "dual bag storage" of samples is an important part of our back-up procedures (see "Business – Back up procedures").

Samples are stored for an initial period of 20 years. After the initial 20 years the child, now an adult, has the option to continue the storage by the payment of an additional fee. Should a sample be damaged prior to reaching the processing facilities or be deemed, in accordance with international guidance on storage, to contain insufficient stem cells for storage, the

storage part of the fee is not charged. Unsuccessful storage affects, on average, fewer than 5% of samples. In the event that a child's stem cells are required for a therapy, the sample will be located and delivered to the physician requiring the stem cells. There is currently no additional fee levied for this element of the service.

Collection, processing, preservation and storage of the umbilical cord tissue containing MSCs

The collection, processing, preservation and storage of the umbilical cord tissue containing MSCs is an element that we added to our Cryo-Cord service in June 2008, in addition to, and separate from, the collection, processing, preservation and storage of HSCs taken from the umbilical cord blood, allowing our customers to collect, process, preserve and store the umbilical cord as well as stem cells from the cord blood.

The umbilical cord is a rich source of MSCs. MSCs can develop into a broader range of tissue types than HSCs and therefore have a greater number of potential medical applications than the HSCs found in cord blood. These umbilical cord MSCs are similar to the stem cells derived from bone marrow and have a similar range of potential clinical applications. Unlike the extraction of MSCs from bone marrow, which is an invasive and painful technique, extraction and storage of the umbilical cord is non-invasive.

As far as we are aware, our unique process represents one of the first available commercial opportunities to collect and store MSCs without using intrusive techniques. Samples of the umbilical cord are collected shortly following birth and are processed in preparation for its cryopreservation and storage. In the event that the MSCs are required for a therapy, the MSCs are extracted from the cord. We do not charge an additional fee for such MSC extraction. Cryo-Cord customers therefore have the benefit of two different samples of stem cells stored instead of one.

We believe that the introduction of this new element of our Cryo-Cord service in June 2008 has marked a significant advance in our stem cell storage business as MSCs in the umbilical cord are found in far greater numbers than HSCs are found in the cord blood. MSCs also have a broader range of potential therapeutic applications as they can be developed into a greater range of tissue types than HSCs. A significant number of MSC-related clinical trials are currently in progress worldwide and we therefore believe that the service offering of collecting, processing, preserving and storing the umbilical cord containing MSC through Cryo-Cord represents a key growth opportunity for us.

Cryo-Lip

We intend to introduce our new service Cryo-Lip in the first half year of 2010: the collection, processing, preservation and storage of stem cells obtained from fat deposits obtained via liposuction. Adipose tissue removed by liposuction contains a great number of MSCs. We believe that these cells have excellent potential for differentiating into several types of cells and tissues which could be used for future therapies. Cryo-Lip involves the collection of stem cells from adults rather than from children at birth and as such it offers us a new additional target market as Cryo-Lip will enable us to offer adult clients stem cell storage of their own stem cells in addition to the storage of the stem cells of new born children.

Cryo-Lip is a nascent business opportunity which we are keen to exploit, and several cosmetic clinics have already shown great interest in working with us.

Cryo-Preservation

We are looking to develop the service of storage through cryopreservation for third parties such as universities, academic institutions or pharmaceutical companies in the following areas:

- tumours and tumour vaccines;
- sperm;
- serum, for use in clinical studies;
- proprietary stem cell lines, developed to produce specific therapies;
- tissue banking; and
- ovocytes.

As well as being a source of revenue, we expect that these business relationships may be beneficial to developing our overall business. However, we expect that the offering of storage to third parties will not represent a material part of our revenue in the medium term.

Current markets

We currently trade in 38 markets, predominantly in Europe, but with operations in several non-European territories, including India. Currently, the Spanish, Hungarian, Italian and South Eastern European (including Greek) markets are key to our business. In aggregate, these key markets (further details of which are set out below) contributed 76% of our revenues in 2008. For the mid term a significant contribution is expected from India and France.

Geographical breakdown of revenue for key markets

€ in millions	**Six months ended 30 June (unaudited)**		**Year ended 31 December (unaudited)**		
	2009	**2008**	**2008**	**2007**	**2006**
Spain	8.4	3.0	9.8	5.1	1.2
Hungary	2.1	2.3	4.9	2.0	1.1
Italy	2.9	1.8	4.2	1.8	0.7
South Eastern Europe (including Greece)	1.7	1.7	3.4	3.5	4.2
Other Countries	2.9	2.5	5.4	4.9	3.8
Subtotal revenue of samples stored	18.0	11.3	27.7	17.2	10.9
Other revenues	0.6	0.9	1.8	0.5	-
Total revenues	**18.6**	**12.2**	**29.5**	**17.7**	**10.9**

Broken down per activity, revenues are as follows

€ in millions	**Six months ended 30 June (unaudited)**		**Year ended 31 December (unaudited)**		
	2009	**2008**	**2008**	**2007**	**2006**
Stem cell extraction and storage	18.0	11.3	27.7	17.2	10.9
Other products and services	0.6	0.9	1.8	0.5	-
Total revenues	**18.6**	**12.2**	**29.5**	**17.7**	**10.9**

We expect that the contribution of our key markets to our revenue will be less pronounced as we grow further but that they will remain important in the short to medium term.

As a consequence of the differing contractual arrangements and end-user pricing over the four key markets, our revenue per sample stored varies from market to market. There will be no uniform increase (or decrease) across markets in revenues as customer numbers increase (or decrease).

Key to our profitability is the performance of those markets where the customer price yields the best returns for us.

Further details regarding our current key markets are set out below.

Spain

Spain was our largest market in 2008. We operate with two subsidiaries in Spain, Crio Cord and Cryo-Save España**,** the latter through its agent Sabater Tobella Analises, both of which have a strong brand name in Spain. Up to June 2008, when we acquired Crio Cord, this company acted as our agent in Spain.

The acquisition of Crio Cord materially impacted our 2008 financial result (see also "Unaudited Pro Forma Condensed Income Statement for the year ended 31 December 2008").

In July 2009, we signed a distribution arrangement with Labco, a leading pan European medical diagnostic labs network, that became effective as of 1 October 2009 (see also "General Information – Material contracts").

Our Spanish operations opened in 2005 following the introduction of new legislation allowing cord blood storage. Spain contributed approximately 11%, 29% and 33% to our 2006, 2007 and 2008 revenues respectively, 25% and 45% over the first six months of 2008 and 2009 respectively. The significant rise in sales since 2006 resulted primarily from the publicised storage of the stem cells of a member of the Spanish Royal Family announced in February 2007, which improved awareness of this service to the Spanish people. However, Crio Cord is the main Spanish stem cell company that benefited significantly and consistently from this event.

Hungary

The Hungarian operations commenced in 2002 and have contributed revenue of approximately 10%, 11% and 17% to our 2006, 2007 and 2008 revenues respectively, 19%

and 11% over the first six months of 2008 and 2009 respectively. The Hungarian operations are conducted by our subsidiary Sejtbank, in which we acquired a 70% share interest in January 2008. Prior to this acquisition, Sejtbank acted as our distributor for the Hungarian market.

Despite the low average wage (in comparison to other European countries), Hungary's population has one of the largest proportion of parents who store cord blood stem cells.

Notwithstanding local competition, Sejtbank has been able to enhance its leading position and continues to outperform the local market. Unlike most of Cryo-Save's other markets, in Hungary, Sejtbank provides financing for clients allowing payment of the storage fee in instalments over a maximum of two years.

Italy

Our Italian operations are run by our Italian subsidiary Cryo-Save Italia S.r.L. which became operational in 2006, and by Salus Futura S.r.L, a service company we acquired in July 2009 by means of the acquisition of its holding company Salus Futura Ltd, thus further strengthening our operations in Italy. Salus Futura contributes primarily on customer acquisition through diagnostic centres and private clinics. Our Italian operations have contributed revenue of approximately 6%, 10% and 14% to our 2006, 2007 and 2008 revenues respectively, 15% and 16% over the first six months of 2008 and 2009 respectively.

Legislation in Italy is still being developed and currently requires individual government approval for the storage of adult stem cells. There is no marketing to doctors and no advertising allowed. The Vatican, however, has endorsed the concept. In 2007 we strengthened our sales force in Italy and we have clearly benefited from this, as sales volumes in 2008 more than doubled compared to 2007. Following a price increase in the beginning of 2008 we further increased our price in May 2009.

In January 2007, we commenced the public/private cooperation with Osidea Association, an Italian not for-profit organisation dedicated to the health of the Sardinian community which is promoting the storage of umbilical cord blood stem cells. The cooperation gives parents the opportunity to donate HSCs and MSCs for public use as well as keeping their own sample privately. This hybrid system, which we call the Controlled Sharing Program and the cooperation with Osidea Association is described in more detail in "Industry Overview – Public and private banking". The initiative attracted public attention and serves as a model for European expansion in markets where there is a need for public/private banking.

South Eastern Europe (including Greece)

Greece has been a key market for us since 2005. The other countries in the South Eastern European region we do business in are Albania, Bosnia-Herzegovina, Romania, Bulgaria, Croatia, Serbia, Slovenia, Cyprus, Kosovo, Montenegro, Malta and Macedonia.

Our operations in the South Eastern European region are conducted through Cryo-Save Balcanica S.A., an entity that was a 50% owned joint venture until July 2008, when we acquired the remaining 50% of the shares. Except for Greece, we run all operations in the South Eastern European region through a partnership model.

The South Eastern Europe region has contributed revenue of approximately 39%, 20% and 12% to our 2006, 2007 and 2008 revenues respectively, 14% and 9% over the first six months of 2008 and 2009 respectively.

Other countries

The other countries we operate in, including Switzerland, South Africa, Czech Republic, the Netherlands, and Belgium have contributed revenue of approximately 35%, 28% and 18% to our 2006, 2007 and 2008 revenues respectively, 20% and 16% over the first six months of 2008 and 2009 respectively.

In India we rented an office in Bangalore and built our own processing and storage facility according to our standards and procedures. Sales started in late 2008 immediately following the license we obtained from the Indian regulatory body. We operate in six metropolitan cities in India - Bangalore, Mumbai, Delhi, Hyderabad, Amrabad and Pune.

In 2008 we acquired a new building in Lyon, France. In May 2009 we submitted a proposal for the installation of a processing and storage facility in our Lyon building to the French regulatory authority. In September 2009 we were informed by the French regulatory authority that our proposal was complete and receivable for instruction and were allowed to proceed with installing the processing and storage facility in our Lyon building. We aim to complete installing the processing and storage facility early 2010, which we estimate will require an investment of approximately €1 million. Subject to confirmation of the French regulatory authority that the installation was done in accordance with the proposal following a site visit by the authority once the installation is completed, we expect to be able to start using our Lyon processing and storage facility in the first half of 2010. In the mean time we continue to sell our services to French customers via our Swiss sales company.

Sales from France were not material in 2008 and the first half year of 2009, India contributed significantly to the growth in the first half year of 2009.

Distribution agreements

Our principal operating subsidiary is Cryo-Save AG, which has entered into a number of distribution agreements to distribute our services in most of the countries we operate in. The vast majority of the distribution agreements fall into one of the following two categories:

Distribution contracts with group companies and other related entities

In most countries where a company within our group or company in which we hold a minority interest is incorporated or has a presence, our principal operating subsidiary Cryo-Save AG contracts with such an entity in relation to the provision of distribution services. Often, the relevant entity is entitled to contract with third parties to assist with the delivery of the services in the relevant territory.

The relevant entity can also enter into a commissionaire contract with Cryo-Save AG, which means that the entity in question agrees to contract with customers as a commissionaire and on its own account. The commissionaire contract sets out the price per sample to be charged to the customers, the amount to be remitted to Cryo-Save AG and an agreed commission which is retained by the commissionaire in relation to each successfully stored sample.

Distribution contracts with third parties

In territories where we do not have our own sales force, third party distribution contracts are entered into directly with Cryo-Save AG or with an entity that belongs to our group (which in turn has a contract with Cryo-Save AG as set out above). The third parties may contract as agents or distributors.

- Agents: the third party agents conclude contracts with customers in our name and for our account and are paid a commission by us.

- Distributors: third party distributors conclude contracts with and invoice customers directly in their own name and for their own account and are invoiced by Cryo-Save AG for services provided to the distributor by us. Although acting in their own name, they are selling the services under the "Cryo-Save" brand name.

Whilst our services are priced within a range, there are variations in the actual prices paid by customers from country to country, as well as variations in the fee structure and margins in the distribution arrangements, from territory to territory, from agent to agent and distributor to distributor.

The majority of the contracts referred to above are of short to medium term duration and a number of the arrangements are exclusive.

Service agreements

In some countries it may be preferable not to sell the Cryo-Save branded services, but to have another company that is not related to us to market the services in its own name and under its own brand as totally independent company without references to us.

In some countries where we already have a presence or an agent or distributor, we may be approached to consider a partnership. In these cases we may be asked to offer to perform processing and storage services only. In such cases we will enter into a contract pursuant to which we will invoice the total independent company for the processing and storage services provided.

Intellectual property

Patents

Where possible, we obtain defensible and relevant patent protection on our technologies. Where such protection is not available, we rely on our confidential know-how to protect our business.

We own two granted patents in relation to MSC storage capacity, each of which has a six year term expiring on 5 April 2012, and a PCT application PCT/EP2005/002094 which is directed towards large scale storage of viable somatic stem and progenitor cells.

A PCT application based on European patent application No 08152992.7 was filed, covering unexpected findings we did while developing Cryo-Lip.

Various factors may affect our continuing rights to use patents and other intellectual property and our ability to prevent their use by third parties.

Trade marks

We own European and Swiss trade mark registrations and an international trade mark application for CRYO-SAVE, and a European trade mark registration for CRYO-CARE.

Domain names

We own a number of domain names. Our principal website uses the cryo-save.com domain name.

Research and development

Our research and development programme is based on a strategy of applied research, aimed at avoiding significant investments in research with uncertain results and funding requirements. The programme serves two purposes: (i) to develop new services such as Cryo-Lip or Cryo-Preservation; and (ii) to initiate and/or support projects that demonstrate the clinical benefits of stem cell therapy, thereby encouraging the growth of the potential market. We employ one of the world's leading specialists in regenerative medicine, our Scientific Director Professor Colin McGuckin and have a team of qualified scientists contributing to our research and development programme.

Professor Colin McGuckin

Colin McGuckin was the first Professor of Regenerative Medicine at the University of Newcastle upon Tyne. He has a PhD from the University of Ulster on leukaemia research. His postdoctoral position was at St George's Hospital medical school in the department of Haematology, where he worked on chronic anaemia and Stem Cell Disorders. He is President of the Cell Therapy Research Institute in Lyon, France (see "Business – Research and development collaborations"), and a visiting Professor at Rice University and the University of Texas in the United States as well as IPCT University in Brazil.

Working in stem cells for over 20 years, Professor McGuckin is an opinion leader who has been called upon by governments and hospitals around the world, including the United States Senate, the United Nations (Geneva) and the Parliaments of France, UK, Austria and Germany. Colin McGuckin is also President of the Novus Sanguis Consortium, which was launched in 2008 under the patronage of the President of the European Parliament.

Research and development collaborations

We also have good collaborations with many universities and research institutions. These collaborations include the following:

Cell Therapy Research Institute, Lyon

We have privileged research agreements with the Cell Therapy Research Institute in Lyon, France, where a co-founded research institute specialising in Adult Stem Cells was set up in 2008. The institute houses the team of Professor McGuckin who were first in the world to develop platforms for cord and cord blood, including the finding of extremely immature stem cells in cord blood. They were also first to develop liver, nervous and pancreatic tissues from both cord blood and cord. To complement their program in tissues at birth, they also develop adult tissues as sources of stem cells, including fat, which is important for our Cryo-Lip service development.

In approximately 5% of Cryo-Cord samples, commercial storage is not possible, mostly because an insufficient number of cells were present in the sample collected at birth. In addition, in a typical sample there may be an inadequate number of cells for a specific treatment. Tissue expansion could remedy this problem. Professor McGuckin's team also has extensive experience in MSC and HSC expansion and is working with us to develop this so that smaller cord blood samples can still be useful for therapeutic medicine.

The Cell Therapy Research Institute, Lyon team acts as our main research and development partner and is investigating new storage procedures for us.

Project Crystal

Following a competitive application process involving approximately 800 applicants, we, in close collaboration with the University of Cologne, Fraunhofer-Institut für Biomedizinische Technik, Medical University of Vienna, University of Zurich, Catholic University Leuven and University of Antwerp, were selected in 2006 by the European Commission to conduct research into cryopreservation techniques for adult stem cells.

The project, called Project Crystal – which stands for CRYobanking of Stem cells for human Therapeutic AppLications - received a research grant of €2.4 million from the European Scientific Advancement Programme called the Sixth Framework Programme on Research Technological Development and Demonstration. From the total research grant of €2.4 million, €0.3 million was granted to us on a matched funding basis, which should cover 50% of our research cost for this project. In the period up to the date of this Prospectus we have received a total amount of €0.2 million.

This research project began in March 2007, with 2009 being its final year. This important research award is in line with earlier work undertaken by the European Commission which resulted in the adoption of specific regulation for tissues and cells. More information on Project Crystal can be found on the project's website: www.crystal-eu.org.

Project Hyperlab

Recently another project addressing the development of stem cell culture conditions was granted to us, in collaboration with academic and industrial partners. This project, entitled Hyperlab, is a Seventh Framework Programme on Research Technological Development and Demonstration project.

The aim of the Hyperlab project – which stands for High Yield and Performance Stem Cell Lab - is the development of new and improved culture methods, media and protocols for stem cell cultivation and differentiation. In order to perform an efficient screen of culturing parameters, the Hyperlab project seeks to develop suitable readout systems and adapt novel, miniaturised cell cultivation technologies to the culture of stem cells. To reach this objective, Hyperlab aims to adapt novel microfluidics-based cell cultivation technologies to the specific needs of stem cell culture. The culture systems which the project seeks to develop are aimed to have two major advantages over existing approaches: on one hand, they are expected to improve stem cell culture in terms of microenvironment control, reproducibility, robustness and efficiency. On the other hand, these microscale technologies, together with developed transgenic readout systems, should allow rapid medium to high throughput screening of different conditions, thus enabling determination of optimal culture and differentiation protocols in a reasonable time. Once established, protocols and conditions will be evaluated and optimised for their upscalability and will be made GMP-compliant so as to form a solid basis for progress in human stem cell therapies. The Hyperlab project started in September 2009.

ITERA

We are a founding and active member of ITERA, the International Tissue Engineering Research Association, an international scientific and medical consortium. ITERA was established in 2004.

The ITERA Life-Sciences Forum is a consortium with European, American and Asian universities, university hospitals, private hospitals, private labs, stem cell institutes and research centres. The ITERA Life-Sciences Forum helps coordinating submission of EU funded projects. ITERA gives us access to key opinion leaders in stem cells for advice and knowledge. More information on the ITERA Life-Sciences Forum can be found on its website www.itera-ls.org.

Processing and storage facilities

Our principal processing and storage facility is located in Niel, Belgium. We moved our Belgian processing and storage activities to this new state-of-the-art facility in August 2009 to cover the significant growth of our business. Until that time, our Belgian processing and storage activities were conducted in Mechelen. The Niel facility is located in premises we lease from ING Lease Belgium N.V. (see "General information – Material contracts – Sale and lease back agreement regarding the processing and storage facility in Niel, Belgium").

We also have a processing and storage facility in Bangalore, India. The Bangalore facility is located in premises we rent on the basis of a lease agreement with a fixed initial 5 year term ending on 15 June 2013 with an option to extend for 5 years, for an initial annual rent of 238,000 Indian rupee, to be increased by 6% per year

In 2008 we acquired a new building in Lyon, France. In May 2009 we submitted a proposal for the installation of a processing and storage facility in our Lyon building to the French regulatory authority. In September 2009 we were informed by the French regulatory authority that our proposal was complete and receivable for instruction and were allowed to proceed with installing the processing and storage facility in our Lyon building. We aim to complete installing the processing and storage facility early 2010, which we estimate will require an investment of approximately €1 million. Subject to confirmation of the French regulatory authority that the installation was done in accordance with the proposal following a site visit by the authority once the installation is completed, we expect to be able to start using our Lyon processing and storage facility in the first half of 2010. In the mean time we continue to sell our services to French customers via our Swiss sales company.

In addition to the processing and storage facilities referred to above, we have access to an AABB accredited processing and storage facility in Dubai (UAE), which has been operational since September 2006. We have access to this facility via our associate Cryo-Save Limited in the United Arab Emirates. Furthermore we have access to a GMP-accredited processing and storage facility in Mannheim, Germany.

We believe that the facilities that we presently have or have access to, as well as the planned Lyon facility are amongst the most advanced of any stem cell storage company and offer sufficient capacity to absorb all of our expected medium term growth. The locations of our processing and storage facilities are selected to enable us to service our markets as efficiently as possible for example, reducing transport time and cost wherever needed and feasible.

New facilities are likely to be required to properly service new markets in territories beyond the easy reach of our European facilities. If, from a legal or operational perspective, such a new facility is required in a new location, we will consider whether it is viable and commercially beneficial to build premises to facilitate such expansion.

Processing and storage

All samples should arrive at a processing and storage facility within 48 hours of collection in order to allow viable processing and storage of the stem cells. On arrival samples are

processed using patented computer-controlled equipment and each sample is tested for viral safety including HIV, Hepatitis B and C, Syphilis and Cytomegaly Virus. Samples are also extensively tested for possible microbial, bacteriological and fungal contamination.

If a sample is found to be microbiologically contaminated, a record of this contamination is made. In most instances, depending on the contaminant, a sample may continue to be stored in a special containment storage, as the contamination may be treated by antimicrobials ahead of therapy, following special release procedures and in close collaboration with the treating physician.

Samples are gradually cooled by computer-controlled freezing to the final storage temperature (approximately -180˚ Celsius) and subsequently stored in the gas phase of liquid nitrogen in a tank or dewar. Computer controlled storage helps minimise the risk of contamination of samples.

There are two key benefits of using liquid nitrogen for storage. Firstly, liquid nitrogen is a highly cost effective method of maintaining a temperature of below -150˚ Celsius (the temperature at which practically all enzymatic and biological processes cease). Secondly, using liquid nitrogen for storage means that we are not reliant on electricity or other power sources to maintain the temperature of the samples, reducing the impact of power failures and mitigating the effects of increasing energy prices (see "Business- Back up procedures").

All stored samples are split into two bag sections, allowing flexibility of future use. We also have the flexibility to store half the sample bag separately.

In the fourth quarter of 2007, we successfully introduced a system of storing processed umbilical cord blood samples in bags, rather than vials, which allowed the whole process to move to a closed system. This further reduced the risk of contamination of the blood.

Back up procedures

We have adopted a number of processes to assist in safeguarding the integrity of our operations.

The use of liquid nitrogen, as referred to above, significantly mitigates the risk of power failures. In the event of a significant power interruption, liquid nitrogen can continue to keep a dewar at a temperature of below -150˚ Celsius for up to a week without electricity. In the unlikely event that a power interruption lasts for more than a week, the liquid nitrogen, which is usually fed from holding tanks at the laboratory to the dewars via a depressurising unit, can be replenished manually.

The specialised equipment used to process and cool samples operates from an uninterrupted power supply which can last for up to half an hour in the event of a power failure and which provides staff with sufficient time to start the back up generator if so required.

We have two data storage back up systems located in professionally operated data centres – one in Brussels and one in Ghent. These are connected by a fibre optic line so that in the event of irreparable damage to one data centre, a full and immediate back up would be available on the other. Back ups to a US based server are also made on a daily basis.

As described above, it is our policy to split samples and store each portion separately.

Regulation

Our core business focuses on the collection and storage of HSCs and MSCs. Activities concerning these human adult stems cells do not attract the same legal or ethical concerns as are associated with human embryonic stem cells, as they do not involve the use of viable human embryos. Nevertheless, our activities are highly regulated.

In the European Union our activities are governed by national laws implementing various European directives, including Directives 2004/23/EC, 2006/17/EC and 2006/86/EC which regulate the donation, procurement, testing, processing, preservation, storage and distribution of human tissues and cells, including HSCs and MSCs.

The EU Tissues and Cells Directive on donation, procurement, testing, processing, preservation, storage and distribution of human tissues and cells, including HSCs and MSCs, brought into the EU and EEA by Directives 2004/23/EC (the "**Tissues and Cells Directive**"), 2006/17/EC (the "**First Technical Directive**") and 2006/86/EC (the "**Second Technical Directive**", together the "**Directives**"), creates a new common legal framework regulating activities with tissues and cells. Those tissue establishments performing regulated activities must be licensed to do so by competent authorities designated by each member state. They are required to obtain informed consent from donors, protect personal data, maintain confidentiality, evaluate and select donors and implement appropriate quality and safety measures. Tissue establishments should operate using a Quality Management System (QMS) based on principles of good practice, including at least standard operating procedures, guidelines, training and reference manuals, reporting forms, donor records and information on the final destination of tissues and cells, ensuring availability for inspection by the national competent authority. A qualified responsible person must be designated and personnel directly involved in the tissue establishment activities need to be suitably trained and qualified. Tissue and cell reception must be fully compliant with defined regulatory requirements, as must processing, storage, labelling, documentation, packaging and distribution. Tissue establishments must furthermore evaluate and enter into written agreements with third parties where the quality and safety of tissues and cells processed in co-operation with the third parties is influenced, and they must record and make available such agreements for inspection by national authorities.

The First Technical Directive and the Second Technical Directive supplement the Tissues and Cells Directive by setting out technical requirements for the donation, procurement and testing of human tissues and cells, as well as the traceability requirements, notification of serious adverse reactions and events, and technical requirements for the coding, processing, preservation, storage and distribution of human tissues and cells.

Directive 2003/94/EC which sets out the principles and guidelines for Good Manufacturing Practices (GMP), including for cell expansion; Directive 2002/98/EC which regulates the collection, testing, processing, storage and distribution of human blood and blood components; and Directive 93/42/EEC which governs medical devices such as the collection kits used by us or the equipment used for processing the stem cells. Similar laws apply in other jurisdictions in which we operate our business.

Collectively, these laws provide for minimum standards of safety, efficacy and quality to protect human health and rights. Breach of these laws may attract sanctions, including imprisonment and fines.

From the Dutch Ministry of Health, Cryo-Save obtained the status of Tissue Establishment in compliance with the European Tissues and Cells Directives (2004/23/EC, 2006/17/EC and 2006/86/EC), as transposed into national law (Register No. 108153 L/EO), covering stem

cells from umbilical cord, either for direct application into humans or for further processing into medicinal products.

Our operational processing and storage facilities, have received various accreditations and/or authorisations. In Belgium, our testing activities were formerly accredited by the Belgian Accreditation Body, BELAC, according to ISO/EN 17025. At this moment we do not have an accreditation for Belgium, pending the publication of ministerial decrees following the recent transposition of the EU Tissues and Cells Directive into Belgian law end of 2008, a submission for accreditation by the Belgian competent authorities is in preparation. In Germany, our activities were accredited by Deutsche Akkrediterungsstelle Chemie GmbH, Bezirksregierung Köln and Regierungspräsidium Tübingen; in Austria by Bundesministerium für Soziale Sicherheit und Generationen and Bundesministerium für Gesundheit und Frauen and Bundesamt für Sicherheit im Gesundheitswesen; and in Switzerland by Bundesamt für Gesundheit. The Dubai facility recently obtained an accreditation by the American Association of Blood Banks (AABB), and our India facility is in the process of obtaining an AABB accreditation. These provide independent confirmation that the accredited facilities conform to certain technical standards required by local laws relating to the collection, processing, storage and testing of human adult stem cells.

Litigation

There are and there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) during the past twelve months preceding the date of this Prospectus, which may have, or have had in the recent past, a significant effect on Cryo-Save Group N.V. and its consolidated subsidiaries' financial condition or profitability.

Management and Employees

General

Set out below is a summary of the relevant information concerning our Board of Directors and other employees. In addition we set out a brief summary of significant provisions of Dutch corporate law and our Articles of Association in respect of our Board of Directors.

Management structure

We have a one-tier board structure, consisting of Executive and Non-Executive Directors.

Board of Directors

Powers, composition and function

The Board of Directors as a whole manages our business and affairs. Within the Board of Directors, the Executive Directors are responsible for our day-to-day operations, whilst the Non-Executive Directors supervise the policies pursued by the Executive Directors. Pursuant to our Articles of Association the Board of Directors must consist of at least one Executive and two Non-Executive Directors. The number of Executive and Non-Executive Directors shall be determined by the Board of Directors. At present the Board of Directors consists of two Executive Directors and three Non-Executive Directors. The Board of Directors may give Executive Directors the title Chief Executive Officer and/or Chief Financial Officer, and may give one of the Non-Executive Directors the title Chairman of the Board of Directors. The Board of Directors as a whole and each of the Executive Directors acting individually, is entitled to represent us.

The Board of Directors is entitled to perform all acts necessary for achieving our corporate objects except those prohibited by applicable laws and regulations or by our Articles of Association.

Pursuant to our Articles of Association, the members of the Board of Directors are appointed by our General Meeting from a nomination prepared by the Board of Directors for a maximum period of four years. This maximum term does not apply to our current Executive Directors, who were appointed before the provision limiting the term of appointment to four years having been included in our Articles of Association. An appointment by the General Meeting of a Director without a nomination by the Board of Directors requires an absolute majority of the votes representing more than half of the issued capital.

The General Meeting may at all times suspend or dismiss a Director. In addition, the Board of Directors may at all time suspend a Director. A resolution of the General Meeting to suspend or to dismiss a Director, other than in accordance with a proposal of the Board of Directors, shall require an absolute majority of the votes cast representing more than half of our issued share capital. A Director's suspension shall terminate if within three months after the effective date of his suspension the General Meeting has not passed a resolution to remove him from office or to lift or to extend the suspension. The period of extension of a Director's suspension may not exceed three months from the date on which the resolution to extend the suspension was passed.

The prior approval of the General Meeting is required for resolutions of the Board of Directors on a major change of the identity or the character of the Company or the enterprise, including in any case:

- transfer of the enterprise or almost the entire enterprise to a third party;

- conclusion or severance of permanent cooperation of the Company or a subsidiary with another legal entity or company either as a fully liable partner in a general partnership, in case said cooperation or severance will be of far-reaching importance to the Company; and

- taking or disposing of a participation in the capital of a company worth at least one third of the amount of the assets in accordance with the balance sheet with explanatory memorandum or, in case the Company will draw up a consolidated balance sheet, in accordance with the consolidated balance sheet with explanatory memorandum in accordance with the latest adopted annual accounts.

The Board of Directors may adopt board regulations. The current board regulations are published on our website.

Members of the Board of Directors

The Board of Directors is composed of the following members

Name	**Age**	**Position**	**Appointed since**	**Term**
Executive Directors				
Marc Waeterschoot	59	Chief Executive Officer	27 March 2007	indefinite
Arnoud van Tulder	48	Chief Financial Officer	3 October 2007	indefinite
Non-Executive Officers				
Johan Goossens	54	Chairman of the Board of Directors	1 October 2007	until 1 October 2012
Werner Spinner	60	Non-Executive Director	1 October 2007	until 1 October 2010
Walter van Pottelberge	65	Non-Executive Director	1 October 2007	until 1 October 2011

Each of the Directors' business address is IJsselkade 8, 7201 HB Zutphen, the Netherlands.

Marc Waeterschoot (Executive Director - Chief Executive Officer)

Marc Waeterschoot (1949) co-founded the Company in 2000 and has led its growth. Mr. Waeterschoot is a qualified pharmacist and clinical pathologist having previously been a

member of the board of directors of the state university of Ghent, Unilabs Holding SA and Dermalock Medical Corporation, Denver, USA. He has over 37 years of industry expertise having managed and worked for a variety of healthcare companies, most notably Labo Medicom. Mr. Waeterschoot is the Managing Director and controlling shareholder of Life-Sciences N.V. and Pharmaceutical Enterprises N.V. From 1 October 2007 until 14 September 2009 he was the Chairman of the Board of Directors. Since 31 July 2009 as a consequence of our previous Chief Executive Officer, Mr. Koremans having left us as per such date to take up a senior position with a leading pharmaceutical company, Mr. Waeterschoot is our Chief Executive Officer, the position he also held from our incorporation on 8 March 2000 until 1 October 2007.

Arnoud van Tulder (Executive Director - Chief Financial Officer)

Arnoud van Tulder (1961) joined us in August 2007, coming from Wolters Kluwer, a public company, where he acted as Vice President Corporate Accounting. He is a qualified chartered accountant and worked for KPMG for over ten years.

Johan Goossens (Non-Executive Director - Chairman of the Board of Directors)

Johan Goossens (1955) co-founded the Company in 2000 having gained over 20 years of experience in private and investment banking, starting with KBC in 1979 and holding positions at a number of other institutions, including, Nedee & Co, Defever and BNP-Naegelmackers. He left BNP-Naegelmackers in 1994 to focus on "Beurstips", a weekly investment magazine published in Belgium, which he founded in 1992. This publication grew to be one of the most successful Belgian investor magazines and was sold by Mr. Goossens in 2005. Mr. Goossens is the Chief Executive Officer and controlling shareholder of Juma N.V. and HTB N.V. He holds a Bachelor of Economics degree from the University of Ghent as well as a postgraduate qualification in marketing.

Werner Spinner (Non-Executive Director)

Werner Spinner (1948) served for nearly 30 years with A.G. Bayer where he was a member of the Executive Board until 2003. Since 2003 he is serving in a supervisory capacity on the boards of Hülsta Group GmbH, GFK AG, CSM N.V., Altana AG, and Celerant Plc, as vice chairman of Merz Holding and as chairman of both Biotest AG and Grünenthal/Dalli-Group. Mr. Spinner holds an MBA from Köln University and is a graduate of the Harvard University Advanced Management Program.

Walter van Pottelberge (Non-Executive Director)

Walter van Pottelberge (1944) joined the Board of Directors as a Non-Executive Director in 2007. Mr. Van Pottelberge was previously chief executive officer of ING Insurance Belgium-Luxembourg for eight years up until 2001. Mr. van Pottelberge was also president of the executive committee of Mercator Bank NV between 2003 and 2005. Mr. van Pottelberge is member of the boards of UBCA N.V., ARTAS N.V, Private Insurer N.V., Koninklijk Filharmonisch Orkest van Vlaanderen, Voka, Gudrun N.V., Goffin Bank N.V. Argenta Bank- en Verzekeringsgroep N.V., Inventive Designers N.V., Vanbreda International N.V., Vanbreda Risk&Benefits N.V., Justitia N.V. and Unibreda GCV. Previous positions include membership of the boards of Dela Ré Luxemburg, SecTrack, EDC Holding, Belpan Holding, Oleon, Egemin, PIC, Smolders Verzekeringen NV, Recticel and Dela Investment Belgium. Mr. van Pottelberge holds a university degree in physics and actuarial science from Leuven University. Mr. Van Pottelberge is Chairman of the Audit Committee and the Selection, Appointment and Remuneration Committee

Board of Directors' committees

Although we are not required to to do so under the Dutch Corporate Governance given the current number of Non-Executive Directors, our Board of Directors has appointed from amongst our Non-Executive Directors an Audit Committee and a Selection, Appointment and Remuneration Committee.

Audit Committee

Our Audit Committee, comprising Non-Executive Directors Mr. Van Pottelberge and Mr. Spinner, is chaired by Mr. Van Pottelberge and meets at least twice a year and as otherwise required by the Chairman of the Audit Committee. The Audit Committee is responsible for ensuring that our financial performance is properly monitored, controlled and reported. It also meets the auditors at least once a year, reviews their findings and discusses any accounting and audit judgments. The duties of this permanent committee are defined by the charter of the Audit Committee, which is published on our website.

Selection, Appointment and Remuneration Committee

Our Selection, Appointment and Remuneration Committee consists of the three Non-Executive Directors and is chaired by Mr. Van Pottelberge. The Selection, Appointment and Remuneration Committee is responsible for the implementation of the Executive Directors' remuneration policy and its costs. Within the framework of the remuneration policy determined by the General Meeting, the Selection, Appointment and Remuneration Committee determines the base salary, performance related remuneration and share options, as well as any other benefits for the Executive Directors. The duties of this permanent committee are defined by the charter of the Selection, Appointment and Remuneration Committee, which is published on our website.

Remuneration of the Board of Directors

Remuneration policy for Executive Directors

In accordance with our Articles of Association, the General Meeting adopts the remuneration policy in respect of our Executive Directors. The Non-Executive Directors establish the remuneration of the individual Executive Directors, with due observation of the remuneration policy as adopted by the General Meeting. With respect to arrangements in the form of shares or share options, the Non-Executive Directors shall submit a proposal to the General Meeting for approval. The proposal must include the number of shares and/or share options that may be granted to Executive Directors and which criteria apply to a grant or modification.

The goals of our current remuneration policy in respect of our Executive Directors remuneration as adopted by the General Meeting on 5 October 2009 are to align individual and company performance and enhance long-term commitment to us. Remuneration of the Executive Directors consists of three elements: a base salary, a variable bonus and share options. The base salary of the Executive Directors is determined by the Selection, Appointment and Remuneration Committee. The bonus is determined annually by the Selection, Appointment and Remuneration Committee and varies according to performance. The bonus makes up a large portion of the Executive Directors total compensation, reflecting the philosophy that their compensation is linked to shareholder value. The share options – which are granted under our Share Option Scheme (see – "Options – 2007 and 2009 Share Option Schemes") - serve as a long term incentive. They have a vesting period of three years and can be exercised upon vesting within ten years from the grant date. The current remuneration policy prescribes that upon termination of employment, an Executive Director

shall receive an amount to be determined in accordance with Dutch law or, as the case may be, by the Dutch courts.

Remuneration for Non-Executive Directors

In accordance with our Articles of Association, the General Meeting determines the remuneration of our Non-Executive Directors. On 5 October 2009 the General Meeting determined that as of 1 January 2009 the annual remuneration of Non-Executive Directors is as follows:

- €30,000 for each Non-Executive Director
- €10,000 additionally for the Chairman of the Board of Directors
- €5,000 additionally for the Chairman of a sub-committee of the Board of Directors
- €2,500 additionally for each member of a sub-committee of the Board of Directors

The total remuneration paid to the Directors in 2008

The total remuneration we paid to our Directors in 2008 amounted to €789,000. The table below denotes the break down in remuneration of our Directors in 2008.

Name	**Base salary/fee**	**Bonus**	**Pension contributions**	**Other payments**	**Total 2008**
Executive Directors					
Marc Waeterschoot	0[(1)]	0	0	13,000	13,000
Arnoud van Tulder	130,000	100,000	8,000	18,000	256,000
Rob Koremans[(2)]	250,000	125,000	5,000	20,000	400,000
Non Executive Directors					
Werner Spinner	60,000	0			60,000
Johan Goossens	30,000	0			30,000
Walter van Pottelberge	30,000	0			30,000

(1) The service agreement between Mr Waeterschoot *inter alia* provides for an annual salary of €120,000 plus an annual discretionary bonus to be determined by the Selection, Appointment and Remuneration Committee (see "Management and Employees - Service agreements of the Directors"). He has waived his rights of payments under the service agreement in relation to the financial years 2008 and 2009.
(2) Mr. Koremans, our former Chief Executive Officer, left us as per 31 July 2009.

The remuneration does not include the shares and share options the Directors have.

Share ownership

The number of shares held by each of our Directors as at the date of this Prospectus is as follows.

Name	**Number of shares**[1]
Executive Directors	
Marc Waeterschoot[2]	1,592,704
Arnoud van Tulder	13,000
Non-Executive Directors	
Werner Spinner	56,973[3]
Johan Goossens	1,612,127
Walter van Pottelberge	16,210

(1) The number of shares listed in this table reflects the shareholdings of our Directors as at the date of this Prospectus, and therefore after the Share Consolidation having been effected.
(2) Includes 100,000 shares owned by Life Sciences N.V. a company of which Mr. Waeterschoot is a controlling shareholder but does not include 200,000 shares owned by B.M.P Derycke, Mr. Waeterschoot's wife.
(3) In addition to the 56,973 shares with a nominal value of €0.10 each listed, Mr. Spinner holds three sub shares (*onderaandelen*) with a nominal value of €0.02 each.

We have published press releases on all transactions in our shares by our Directors that we have been informed on since our AIM Quotation was effected. These press releases are available on our website.

Options

2007 and 2009 Share Option Schemes

2007 Share Option Scheme

On 30 October 2007, we established a share based incentive plan that we call the "2007 Share Option Scheme". All our employees and our Executive and Non-Executive Directors who are nominated by the Board of Directors are eligible to participate in the 2007 Share Option Scheme, as are certain third parties selected by the Board of Directors. The main characteristics of the 2007 Share Option Scheme are set out below.

The Selection, Appointment and Remuneration Committee shall determine the number of shares to be included in an option. The amount payable for each share in the event of the option being exercised shall be the option price.

The number of shares in respect of which options may be granted under the 2007 Share Option Scheme on any date of grant when added to the aggregate number of ordinary shares shall not exceed 5% of the number of shares in issue immediately prior to such date of grant, and is defined as follows:

- the number of shares comprised in subsisting options; and
- the number of shares which have been issued on the exercise of options; and

- the number of shares which have been or may be issued on the exercise of options granted during the period of 10 years ending on the date of grant under any other option scheme approved by the General Meeting

An option may not be exercised later than the day before the tenth anniversary of the date that the same was granted on which day the option (if it has not already ceased to be exercisable) shall lapse.

An option may not be exercised prior to the third anniversary of the date the same was granted except by reason of some specific circumstances (injury, ill health, disability, death, redundancy) or at the discretion of the Selection, Appointment and Remuneration Committee for any other reason.

All options currently outstanding were granted under the 2007 Share Option Scheme.

2009 Share Option Scheme

On 5 October 2009 the General Meeting adopted a revised Share Option Scheme, which we call the "2009 Share Option Scheme". The main amendment in relation to the 2007 Share Option Scheme is that the Selection, Appointment and Remuneration Committee may adjust the number of options that have been granted to a participant in the event the options were granted based on incorrect financial or other data, or in the event due to extraordinary circumstances arisen since the date of the grant of the options, the exercise of the options by a participant would produce an unfair result. The adjustment may only be downwards if options were granted based on incorrect financial or other data. In such an event the Selection, Appointment and Remuneration Committee may also recover from a participant any amounts received after the exercise of the options.

In the event the exercise of the options by a participant would produce an unfair result due to extraordinary circumstances arisen since the date of the grant of the options, the adjustment may be both upwards and downwards.

Outstanding Options

The below table provides an overview of the outstanding options under the 2007 Option Scheme as at the date of this Prospectus, including the options granted to the Directors, in the periods as indicated.

Name	**Currently outstanding options**(1)	**Options granted in 2007**(2)	**Options granted in 2008**(2)	**Options granted in 2009**(2)
Marc Waeterschoot	20,000	20,000	-	-
Arnoud van Tulder	40,000	10,000	15,000	15,000
Others (3)	108,000	23,000	33,000	52,000
Total	**168,000**	**53,000**	**48,000**	**67,000**

(1) This column lists the options that are outstanding at the date of this Prospectus and therefore after the Share Consolidation having been effected, which resulted in a 5:1 adjustment of the options.
(2) Adjusted for the Share Consolidation
(3) This row includes the options held by Mr. Koremans, our former Chief Executive Officer who left us as per 31 July 2009. Mr. Koremans currently holds 20,000 options, granted in 2009 which are exercisable until 30 January 2010. The options granted to Mr. Koremans in 2007 (15,000) and 2008 (20,000) lapsed as per 31 July 2009 when he left us.

The options granted in 2007, 2008 and 2009 have an exercise price of £11.05, £10.50 and £2.79 respectively. The options granted in 2007 are exercisable from 5 December 2010 through 5 December 2017, those granted in 2008 from 20 May 2011 through 20 May 2018 and the options granted in 2009 from 23 April 2012 through 23 April 2019.

Service agreements and letters of appointment of the Directors

The main terms and conditions of the service agreements and letters of appointment with our the members of our Board of Directors are summarised below. None of the service agreements and letters of appointment provide for benefits in the event of termination.

Mr. Waeterschoot

Mr. Waeterschoot has a service agreement with us for an indefinite period, subject to termination upon six months' notice should we terminate and three months' notice should Mr. Waeterschoot terminate. The agreement provides for an annual salary of €120,000 plus an annual discretionary bonus to be determined by the Selection, Appointment and Remuneration Committee, a business expense allowance, a company car, 30 days paid holiday per annum and membership of our pension scheme. He is also entitled to participate in the Share Option Scheme, the grant of options being determined by the Selection, Appointment and Remuneration Committee in accordance with such sheme. Mr. Waeterschoot is subject to non-competition and non-solicitation covenants for a period of 12 months following the termination of his employment.

Mr. Waetershoot shall receive a bonus in respect of a financial year in which he works for us, equal to the lesser of (a) such amount as is decided by the Selection, Appointment and Remuneration Committee, provided that we have achieved the objectives set out in our business plan; and (b) 100% of his annual salary.

Mr. van Tulder

Mr. van Tulder has a service agreement with us for an indefinite period, subject to termination upon six months' notice should we terminate and three months' notice should Mr. van Tulder terminate. The agreement provides for an annual salary of €130,000 plus an annual discretionary bonus to be determined by the Selection, Appointment and Remuneration Committee, a business expense allowance, a company car, 25 days paid holiday per annum and membership of our pension scheme. He is also entitled to participate in the Share Option Scheme, the grant of options being determined by the Selection, Appointment and Remuneration Committee in accordance with such scheme. Mr. Van Tulder is subject to non-competition and non-solicitation covenants for a period of 12 months following the termination of his employment.

Mr. van Tulder shall receive a bonus in respect of a financial year in which he works for us, equal to the lesser of (a) such amount as is decided by the Selection, Appointment and Remuneration Committee, provided that we have achieved the objectives set out in our business plan; and (b) 100% of his annual salary.

Mr. Goossens

Mr. Goossens is appointed as a Non-Executive Director on the terms of a letter of appointment for an initial fixed term of three years commencing on 1 October 2007. On 5 October 2009, the General Meeting extended his appointment until October 2012. Mr. Goossen's engagement can be terminated by him at any time by giving notice to us and be terminated by us by giving Mr. Goossens three months' notice. Mr. Goossens is remunerated as per the remuneration determined by the General Meeting on 5 October 2009 as set out

under "Management and Employees – Remuneration of the Board of Directors - Remuneration for Non-Executive Directors". In addition he receives a daily fee of €3,000 for special assignments.

Mr. Van Pottelberge

Mr. Van Pottelberge is appointed as a Non-Executive Director on the terms of a letter of appointment for an initial fixed term of three years commencing on 1 October 2007. On 5 October 2009, the General Meeting extended his appointment until October 2011. Mr. Van Pottelberge's appointment can be terminated by him at any time by giving notice to us and be terminated by us by giving Mr. Van Pottelberge three months' notice. Mr. Van Pottelberge is remunerated as per the remuneration determined by the General Meeting on 5 October 2009 as set out under "Management and Employees – Remuneration of the Board of Directors - Remuneration for Non-Executive Directors".

Mr. Spinner

Mr. Spinner is appointed as a Non-Executive Director on the terms of a letter of appointment for an initial fixed term of three years commencing on 1 October 2007. Mr. Spinner's appointment can be terminated by him at any time by giving notice to us and be terminated by us by giving Mr. Spinner three months' notice. Mr. Spinner is remunerated as per the remuneration determined by the General Meeting on 5 October 2009 as set out under "Management and Employees – Remuneration of the Board of Directors - Remuneration for Non-Executive Directors".

Other information relating to the members of the Board of Directors

From 1 April 1989 until 9 September 1989, our Non-Executive Director Mr. Goossens was a director of Kopra N.V., a company involved with meat processing. This company was declared the subject of a fraudulent bankruptcy on 30 September 1989, the fraud being perpetrated by the major shareholder/founder (not being Mr. Goossens).

Except as indicated above, none of the Directors is or has been subject to (i) any convictions in relation to fraudulent offences for at least the previous five years (ii) any bankruptcies, receiverships or liquidations of any entities to which the Directors held any office, directorship, or senior management positions (iii) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) a disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

No family ties exist among the Directors.

Conflicts of interests

Other than the fact that our Directors Mr. Goossens and Mr. Waeterschoot, who also together founded the Company, both own a significant number of our shares and except as disclosed in "Related Party Transactions", we are not aware of any potential or existing conflict of interest between the private interest and/or other duties of the Directors and their duties and responsibilities towards us.

Directors' indemnifications and insurance

We indemnify and hold harmless each of our acting and former Directors against any and all liability, claim, suit, action, fine, penalty and civil, administrative, criminal and arbitration

proceedings (collectively "**Claims**"), as a result of the manner in which the relevant (former) Director has fulfilled his function, provided always that the relevant (former) Director has, in fulfilling his function, not (i) conducted an act of fraud, bad faith or wilful misconduct and (ii) it is not finally, in court or arbitration proceedings or in an amicable settlement to which the (former) Director is a party, determined that the relevant (former) Director, in fulfilling his function, did not act in good faith and in the reasonable belief that the manner of fulfilment of his function was in our interest. This indemnity shall also cover the costs of all legal and other advisers incurred by a (former) Director in the defence against one or more Claims other than as a result of (i) and (ii).

The rights of a (former) Director as described above shall not be excluded or limited as a result of such (former) Director entering into amicable settlement in order to (partially) settle Claims, provided always that the amount payable by us to the relevant (former) Director shall be limited to the fullest extent possible.

We have taken out directors and officers liability insurance for the benefit of each of the Directors.

Employees

The table below sets out the number of employees employed by us at the end of each financial year and as at 30 June 2009, as well as a breakdown of our employees by country.

Country	**30 June 2009**	**31 December 2008**	**31 December 2007**	**31 December 2006**
Belgium	22	26	20	14
Hungary	18	20	-	-
India	59	34	-	-
Italy	23	28	6	1
Spain	26	22	-	-
Netherlands	16	16	15	13
Other countries	55	50	22	15
Total	**219**	**196**	**63**	**43**

The number of employees grew in Hungary and Spain because of us acquiring full control over the local subsidiaries in these countries (see "Business – Overview"). Acquisitions in certain of the countries included in the line "Other countries" also are the main explanation for the increase of employees referred to under "Other countries" in the above table. The number of employees in India grew because we started our operations there since 2008.

Pension plan

Depending on the local plans of a country, our employees can participate in a collective pension plan applicable for their country. The pension plans are defined contribution based. We do not have defined benefit plans.

Major Shareholders

The following table presents information about the ownership of our shares as per the date of this Prospectus for each existing shareholder which, to the best of our knowledge, beneficially owns or holds 5% or more of our shares, and the aggregate number and percentage of shares held by others.

Name	**% of shares (excluding treasury shares)**[2]	**% of shares (including treasury shares)**[2]
J.P.G. Goossens	17.5	16.7
M.J. Waeterschoot[1]	17.3	16.5
Mineworkers' Pension Scheme[3]	5.4	5.2
British Coal Staff Superannuation Scheme[3]	5.4	5.1
Others	54.5	56.5
Total	100.0	100.0

(1) Includes 100,000 shares owned by Life Sciences N.V. a company of which Mr. Waeterschoot is a controlling shareholder but does not include 200,000 shares owned by B.M.P Derycke, Mr. Waeterschoot's wife.
(2) Of the 9,639,191 shares that are currently outstanding, we hold 424,000 shares in treasury, representing approximately 4.4% of our issued share capital (see also "Description of Share Capital and Corporate Governance – Share capital"). At the General Meeting no votes can be cast for shares which we hold in treasury. For the purpose of determining to which extent shareholders cast votes, are present or are represented, or to which extent the share capital is represented, the shares in respect of which no votes can be cast shall not be taken into account (See also "Description of Share Capital and Corporate Governance – Share capital- General Meeting and voting rights").
(3) Interest managed by Schroder Investment Management Limited. On the basis of the investment management arrangement, Schroder Investment Management Limited is entitled to exercise the voting rights on the interest managed.

The shareholdings listed in the above table may be held in registered form, in book-entry form within the book-entry facilities of Euroclear Nederland and by means of depositary interests held within CREST (See "Euronext Amsterdam Listing and AIM Quotation").

The table above does not include Capita IRG Trustees Limited, the depositary under our depositary interest arrangement, that is at the date of this Prospectus holding 73.8% of our shares including our treasury shares and 77.2% excluding our treasury shares, all of which are held by Capita IRG Trustees Limited (through its custodian Capita IRG Trustees (Nominees) Limited) on trust for the benefit of persons who hold depositary receipts issued in respect of the underlying shares within CREST (See "Euronext Amsterdam Listing and AIM Quotation - AIM Quotation – CREST and depositary interests").

Related Party Transactions

The following parts of our historical consolidated financial statements incorporated by reference in this Prospectus provide details of transactions between us and related parties (other than transactions with our subsidiaries).

Related party transactions in 2006	Note 27 (Related Party Transactions) of the notes to the audited consolidated financial statements for the year 2006
Related party transactions in 2007	Note 34 (Related Party Transactions) of the notes to the audited consolidated financial statements for the year 2007
Related party transactions in 2008	Note 38 (Related Party Transactions) of the notes to the audited consolidated financial statements for the year 2008

The table below provides details of transactions between us and related parties (other than transactions with our subsidiaries) in the period from 1 January 2009 through the date of this Prospectus.

Related party	*€ in thousands*
Cryo-Save Arabia FZ- L.C.C.[(1)]	175
Life Sciences N.V.[(2)]	249

(1) Cryo-Save Arabia FZ- L.C.C. is a related party because our associate Cryo-Save Limited (United Arab Emirates), holds 99% of the shares in Cryo-Save Arabia FZ-L.C.C.
(2) Life Sciences N.V. is a related party because it is controlled by Mr. Waeterschoot.

Related party transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties.

Description of Share Capital and Corporate Governance

General

We are a limited liability company (*naamloze vennootschap*) incorporated under Dutch law.

We were incorporated in the Netherlands on 8 March 2000, by a notarial deed of incorporation as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) with the name of Coltec B.V. On 29 August 2000, we changed our name to Cryo-Cell Europe B.V. Subsequently, Cryo-Cell Europe B.V. was converted to a public company with limited liability (*naamloze vennootschap*). To that effect, our articles of association were amended and restated in their entirety by a notarial deed dated 18 May 2001. On 25 September 2003 our name was changed to Life-Sciences Group N.V. On 16 May 2007 we changed our name to Cryo-Save Group N.V.

Our head office is IJsselkade 8, 7201 HB, Zutphen, the Netherlands. The telephone number of the principal place of business is +31 575 509 100. Our statutory seat is at Zutphen, the Netherlands. We are registered with the Chamber of Commerce of East-Netherlands under number 27187482.

Our articles of association were amended most recently by deed of amendment executed on 12 October 2009 before Mr. J-M.P Hermans, civil law notary in Amsterdam, the Netherlands.

Set out below is a summary of relevant information concerning our share capital and corporate governance together with a brief summary of certain provisions of our Articles of Association.

This summary does not purport to provide a complete and exhaustive overview and should be read in conjunction with our Articles of Association, together with the relevant provisions of Dutch law. This summary does not constitute legal advice regarding these matters and may not be considered as such.

Corporate objects

Pursuant to article 3 of the Articles of Association, our corporate objects are:

(a) to carry on a commercial enterprise as well as to import and export moveable property;

(b) either alone or jointly with others to acquire and dispose of affiliations or other interests in legal entities, companies and enterprises, and to collaborate with and to manage such legal entities, companies or enterprises;

(c) to acquire, manage, turn to account, encumber and dispose of any property, including intellectual property rights, and to invest capital;

(d) to supply or procure the supply of loans, particularly, but not exclusively, to subsidiaries, group companies and/or affiliates, as well as to draw or to procure the drawing of loans;

(e) to enter into agreements whereby we commit ourselves as guarantor or severally liable co-debtor, or grant security or declare ourselves jointly or severally liable with or

for others, particularly, but not exclusively, to the benefit of companies as referred to above under (d), all this subject to the fact that we may not grant security, give price guarantees, commit ourselves in any other way or declare ourselves jointly or severally liable with or for others with a view to enabling third parties to take or acquire shares or depositary receipts issued therefore; loans may be extended with due observance of Section 98c of Book 2 of the Dutch Civil Code; and

(f) to do all such things as are incidental or may be conducive to the above objects or any of them.

Share capital

Authorised and issued share capital

At the date of this Prospectus, our authorised share capital amounts to €4,800,000, divided into 48,000,000 shares of a par value of €0.10 each. Our issued and outstanding share capital as of the date of this Prospectus amounts to €963,919.72 consisting of 9,639,191 shares with a nominal value of €0.10 per share and 31 sub shares (*onderaandelen*) with a nominal value of €0.02 per sub share, all fully paid up and created under Dutch law, of which we hold 424,000 shares in treasury, representing approximately 4.4% of our issued share capital. We acquired these shares under a buy-back programme we started in 2007 to cover the dilutive effect of the options that were granted under the 2007 Share Option Scheme (see "Management and Employees – Options") and to fund acquisitions. Treasury shares are recorded at cost, representing the market value on the acquisition date (as per the date of this Prospectus €3.7 million).

History of share capital

The table below provides details on our authorised and issued and outstanding share capital as at the dates indicated.

	31 December 2006	31 December 2007	31 December 2008	Date of the Prospectus
Authorised share capital	3,553,725	3,553,725	3,553,725	4,800,000
Issued share capital in EUR	710,745	963,919.72	963,919.72	963,919.72
Issued share capital in number of shares	7,107,450(1)	48,195,986(2)	48,195,986(2)	9,639,191(3)

(1) On 31 December 2006, each of the 7,107,450 issued and outstanding shares had a nominal value of €0.10.
(2) On 31 December 2007 and 31 December 2008, each of the 48,195,986 issued and outstanding shares had a nominal value of €0.02.
(3) In addition to the 9,639,191 shares with a nominal value of €0.10 per share, on the date of the Prospectus 31 sub shares (*onderaandelen*) with a nominal value of €0.02 per sub share are outstanding (see also "Description of Share Capital and Corporate Governance – Share Capital – Sub shares").

The main change in the issued share capital during the period covered by the historical financial information included in this Prospectus, was the issuance of 12,639,000 new shares with a nominal value of €0.02 each which were placed in a private placement concurrently with the effectuation of our AIM Quotation in November 2007. Another notable change to our share capital took place on 16 May 2007, prior to our AIM Quotation becoming effective, when each of our then outstanding shares, which at the time had a nominal value of €0.10 each, was subdivided into five shares with a nominal value of €0.02 per share. Following the

close of trading of our shares on AIM on 7 October 2009 the Share Consolidation was effected and our shares were consolidated and redenominated by means of an amendment of our articles of association. As a consequence, for every five shares with a nominal value per share of €0.02 held by a shareholder immediately prior to close of trading on 7 October 2009, a shareholder held one share with a nominal value of €0.10 immediately following the Share Consolidation. Immediately prior to the Share Consolidation, we had 48,195,986 shares with a nominal value per share of €0.02 outstanding. Immediately following, and as a consequence of, the Share Consolidation, we had 9,639,191 shares with a nominal value per share of €0.10 and 31 sub shares (*onderaandelen*) with a nominal value of €0.02 per sub share outstanding (on the sub shares, see also "Description of Share Capital and Corporate Governance – Share Capital – Sub shares").

Sub shares

Following the close of trading of our shares on AIM on 7 October 2009 the Share Consolidation was effected and our shares were consolidated and redenominated by means of an amendment of our articles of association. As a consequence, for every five shares with a nominal value per share of €0.02 held by a shareholder immediately prior to close of trading on 7 October 2009, a shareholder held one share with a nominal value of €0.10 immediately following the Share Consolidation. Where a shareholder was not the holder of a number of shares that could be divided by five immediately prior to the close of trading on 7 October 2009, any remaining fraction of a share constituted one or more sub shares (*onderaandelen*) with a nominal value of €0.02 each. At the date of this Prospectus, 31 sub shares with a nominal value of €0.02 each are outstanding.

A holder of a sub share is entitled to any distributions proportionally and may exercise the voting rights together with one or more other holders of sub shares, provided they collectively hold five sub shares or a multiple of five. The sub shares will not be listed on AIM or Euronext Amsterdam.

Outstanding sub shares shall consolidate into shares in the event that a holder of a sub share acquires one or more sub shares and consequently holds an aggregate number of five sub shares or a multiple of five, in which case such number of five sub shares or multiple of five thereof will be consolidated into one or more shares without any further action being required.

Persons that hold sub shares are able to sell and transfer their sub shares to us. We have undertaken to acquire any sub shares so offered to us, subject to the limitations of article 10 of the Articles of Association. A holder of sub shares that wishes to sell sub shares to us is invited to contact our Chief Financial Officer at Cryo-Save Group N.V. IJsselkade 8, 7201 HB Zutphen, the Netherlands, telephone +31 575 54 89 98, e-mail: ir@cryo-save.com.

Outstanding options

Since 2007 we have operated the 2007 Share Option Scheme. The total number of options that are currently outstanding under the 2007 Share Option Scheme is 168,000. For more information on the 2007 Share Option Scheme and the outstanding options, see "Management and Employees – Options".

On 5 October 2009, the General Meeting adopted a revised share option scheme which we call the "2009 Share Option Scheme". We have not granted any options under the 2009 Share Options Scheme as per the date of this Prospectus.

Warrants

At the time and in the context of our AIM Quotation becoming effective in November 2007, we agreed to issue warrants over 733,649 shares to Kaupthing Singer & Friedlander Capital Markets Limited, at the time our financial adviser and broker. With effect from 1 July 2008 these warrants were cancelled, as a result of which no warrants are outstanding at the date of this Prospectus.

Form and trading of shares

All our shares are registered shares (*aandelen op naam*) and are eligible for inclusion in a collection deposit (*verzameldepot*) and/or giro deposit (*girodepot*) on the basis of the Securities Giro Act (*Wet Giraal Effectenverkeer*). The affiliated institutions (*aangesloten instellingen*), as defined in the Securities Giro Act, are responsible for the management of the collection deposit and Euroclear Nederland, being the central institute (*Centraal Instituut*) for the purposes of the Securities Giro Act, will be responsible for the management of the giro deposit.

For the purposes of our AIM Quotation, shares may be delivered, held and settled in CREST by means of the creation of dematerialised depositary interests representing such shares. For more information, see "Euronext Amsterdam Listing and AIM Quotation – AIM Quotation – CREST and depositary interests".

Issue of shares

We may only issue shares pursuant to (i) a resolution of the General Meeting pursuant to a proposal by the Board of Directors or (ii) a resolution of the Board of Directors in case the authority to do so is designated to the Board of Directors by a resolution of the General Meeting for a fixed period, not exceeding five years. Such designation shall specify the number of shares that may be issued. The designation may be extended, from time to time, for periods not exceeding five years. Unless such designation provides otherwise, it may not be withdrawn. The aforementioned applies mutatis mutandis to the granting of rights to subscribe for shares, but shall not apply to the issue of shares to a person who exercises a previously-acquired right to subscribe for shares.

On 20 May 2009, the General Meeting designated the Board of Management (i) the irrevocable authority to issue shares, or grant rights to subscribe for shares, up to a maximum of 20% of the then issued and outstanding share capital. This authority ends on 20 November 2010.

Pre-emptive rights

At the issuance of shares, each shareholder shall have a pre-emptive right pro rata to the total amount of the shares held by him on the date of the resolution to issue shares. If a shareholder fails to exercise his pre-emptive right or does not exercise it on time or in full, the pre-emptive right in respect of the shares thus becoming available shall ensure to the benefit of the other shareholders in the proportion referred to above. Exceptions to this pre-emptive rights apply in relation to the issue of shares (i) against contribution in kind, (ii) to our employees, or (iii) to persons exercising a previously granted right to subscribe for shares.

Pursuant to a proposal by the Board of Directors, the General Meeting may, each time in respect of one particular issuance of shares, resolve to limit or to exclude the pre-emptive right to subscribe for shares. Pre-emptive rights may also be limited or excluded by the Board of Directors if by resolution of the General Meeting it has been designated this authority for a period not exceeding five years. The designation may be extended, from time

to time, for periods not exceeding five years. Unless such designation provides otherwise, it may not be withdrawn. The aforementioned applies mutatis mutandis to the granting of rights to subscribe for shares, but shall not apply to the issue of shares to a person who exercises a previously-acquired right to subscribe for shares.

If at a General Meeting at which a proposal to limit or exclude the pre-emptive right to subscribe for shares comes up for discussion and less than one half of the issued capital is represented, a resolution to limit or exclude the pre-emptive right may only be adopted by at least two-thirds of the votes cast.

On 20 May 2009, the General Meeting designated the Board of Directors the irrevocable authority to restrict or exclude the pre-emptive right to subscribe for shares in relation to the issue of shares, or the granting of rights in connection with the issue of shares or rights to subscribe for shares, pursuant to the authorisation of the Board of Directors the General Meeting designated to the Board of Directors on such date, as further described under "Description of Share Capital and Corporate Governance – Share Capital – Issue of Shares". This authority ends on 20 November 2010.

Reduction of share capital

The General Meeting may resolve to reduce the issued capital pursuant to a proposal by the Board of Directors by cancelling shares or reducing the par value of the shares by amending the Articles of Association. A resolution for the reduction of capital shall require a majority of at least two thirds of the votes cast, if less than one half of the issued capital is represented at the meeting, and a majority of two-thirds of the votes representing more than half of the issued share capital in the event the capital reduction is not proposed by the Board of Directors. If the General Meeting resolves to reduce the par value of the shares by amending the Articles of Association the reduction must be made pro rata on all the shares. This pro rata requirement may be waived if all the shareholders so agree. A resolution to cancel shares may only relate to shares which are held by us.

Acquisition of shares in our share capital

We may acquire our own fully paid shares at any time for no consideration (*om niet*), or, subject to certain provisions of Dutch law and the Articles of Association, if (i) our shareholders' equity, reduced by the acquisition price, is not less than the sum of the issued and paid-up capital and the reserves to be maintained pursuant to the law or the Articles of Association; (ii) the par value of the shares to be acquired and those already held by us or our subsidiaries or over which we or our subsidiaries hold a right of pledge does not exceed one-half of the issued capital; and (iii) the Board of Directors has been so authorised by the General Meeting. Such authorisation shall be valid for a maximum of eighteen months only, must specify how many shares are permitted to be acquired, the manner in which they may be acquired and the permitted upper and lower limits of the acquisition price.

Any shares we hold in our own capital may not be voted or counted for voting quorum/purposes.

On 5 October 2009, the General Meeting designated the Board of Directors the power to repurchase up to a maximum of 10% of the issued share capital as at the date of that General Meeting by acquiring shares or depositary interests for a purchase price not less than €0.10 and not higher than the highest of either (i) the average closing price over the five trading days prior to the date of acquisition on Euronext Amsterdam plus a 10% premium or (ii) the average closing price over the five trading days prior to the date of acquisition on AIM plus a 10% premium.

Dividends and other distributions

The Board of Directors will decide which part of our profits will be reserved. The remaining profits shall be at the disposal of the General Meeting. We may distribute profits only if and to the extent that our equity capital is greater than the aggregate of the paid and called-up part of the issued capital and the reserves which must be maintained by law and our Articles of Association.

Dividends may be paid only after adoption of our annual accounts which show that they are justified. The General Meeting may resolve to declare interim dividends following a proposal by the Board of Directors. A resolution to declare an interim dividend from the profits realized in the current financial year may also be passed by the Board of Directors. Unless the General Meeting sets a different term for that purpose, dividends shall be made payable within thirty days after they are declared.

Following a proposal by the Board of Directors the General Meeting may direct that any dividend is wholly or partly paid in kind.

Any claim a shareholder may have to a distribution shall lapse after five years, to be computed from the day on which such distribution becomes payable.

General Meeting and voting rights

Besides the mandatory annual General Meeting, General Meetings shall be held as frequently as the Board of Directors or any Director may wish. The power to call the General Meeting shall vest in the Board of Directors and in each Director individually. In addition the Board of Directors must call a General Meeting if one or several shareholders and/or holders of depositary receipts jointly representing at least one tenth of the issued capital so request the Board of Directors, such request to specify the subjects to be discussed and voted upon. If the General Meeting is not held within six weeks after the request was made, the applicants themselves may call the General Meeting, with due observance of the applicable provisions of the law and the Articles of Association.

The term of notice for a General Meeting must be at least as many days as determined by law before the date on which the meeting is held. At the date of this Prospectus, Dutch law prescribes that notice must be given no later than the fifteenth day prior to the meeting. In October 2008, a legislative proposal (Legislative Proposal 31 746) was presented to Dutch Parliament (Second Chamber) which aims to implement the EU Shareholder Rights Directive (2007/36/EC) in Dutch law and which, if enacted without amendment, will prescribe that notice must be given no later than the thirtieth day prior to the meeting. The Dutch Ministry of Finance aims to have Legislative Proposal 31 746 enacted and come into force on 1 January 2010. Notice of a General Meeting shall be given by a publication made public by electronical means which publication will be directly and permanent accessible until the General Meeting. In addition, as long as this is a mandatory requirement by law, notice of a General Meeting shall be given by means of an advertisement which shall be placed in at least one Dutch national newspaper. At the date of the Prospectus, this is a mandatory requirement under Dutch law but if Legislative Proposal 31 746 is enacted and has come into force unamended, it will no longer be.

Holders of shares (including holders of the rights conferred by law upon holders of depositary receipts issued with our cooperation for shares) who individually or jointly represent at least 1% of the issued capital - or any higher percentage as may be determined by Dutch law from time to time, or hold shares or depositary receipts representing a value of at least fifty-million euro, have the right to make a substantiated request to the Board of Directors to put items on the agenda or to propose a decision provided that the proposal to put items on the agenda or

the proposed decision, as applicable, has been put forward in writing not later than sixty days before the day of the General Meeting. In relation to the abovementioned percentage of the issued share capital, it is noted that in July 2009, a legislative proposal (Legislative Proposal 32 014) was presented to Dutch Parliament (Second Chamber) which, if enacted without amendment, shall determine that such percentage shall be as least 3% of the issued capital. The Dutch Ministry of Finance aims to have Legislative Proposal 32 014 enacted and come into force on 1 January 2011.

Each share carries the right to cast one vote. At the General Meeting no votes can be cast for shares which we hold in treasury. For the purpose of determining to which extent shareholders cast votes, are present or are represented, or to which extent the share capital is represented, the shares in respect of which no votes can be cast shall not be taken into account.

Unless the law or our Articles of Association stipulate a larger majority, all resolutions of the General Meeting shall be passed by an absolute majority of the votes cast.

Matters requiring a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital include:

- a resolution to appoint, dismiss or suspend a Director other than in accordance with a proposal of the Board of Directors;

- a resolution to amend our Articles of Association other than in accordance with a proposal of the Board of Directors; and

- a resolution to have us merge or demerge other than in accordance with a proposal of the Board of Directors.

Matters requiring a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is represented include:

- a resolution regarding restricting and excluding pre-emptive rights, or decisions to designate the authority to exclude or restrict pre-emptive rights to the Board of Directors; and

- a resolution to reduce our outstanding share capital.

Amendment of our Articles of Association, merger and demerger

A resolution to amend the Articles of Association or a resolution for our merger or demerger may be passed by the General Meeting only pursuant to a proposal of the Board of Directors, except if the resolution is taken with a majority of two-thirds of the votes representing more than half of the issued share capital in which case no proposal of the Board of Directors is required.

Dissolution and liquidation

Our General Meeting has the power to resolve on our dissolution, provided that such resolution may be passed by the General Meeting only pursuant to a proposal of the Board of Directors, except if the resolution is taken with a majority of two-thirds of the votes representing more than half of the issued share capital in which case no proposal of the Board of Directors is required.

In the event of our voluntary dissolution we shall continue to be in existence for such period of time as the liquidation of our assets and liabilities may require. The surplus assets remaining after all our liabilities have been satisfied shall be divided among the holders of our shares in proportion to that part of the par value of the shares which each one has paid on his shares by virtue of calls made upon the shareholders.

Disclosure of shareholdings and voting rights

As a consequence of the AIM Rules being applicable to us, our Articles of Association demand of a shareholder (or a group of shareholders acting in concert) to disclose its shareholdings to us as soon as a threshold of 3% is exceeded, or as soon as its holdings are diminished below this threshold. The Board of Directors may, by notice in writing, require any shareholder or holder of depositary receipts or other person appearing to be interested, or appearing to have been interested, in our shares to disclose to us in writing such information as the Board of Directors reasonably requires relating to interests in the shares in question.

In the event of a change above 3% to a shareholder's interest in admitted securities which at any time increases or decreases such interest through one percentage point or more, the shareholder is obliged to notify us of such change.

It is noted that the abovementioned disclosure obligations pursuant to our Articles of Association are independent of and separate from the notification requirements under the Financial Supervision Act and the Decree disclosure on major holdings and capital interests in issuing institutions (*Besluit melding zeggenschap en kapitaalbelang in uitgevende instellingen*) as set out in "Description of Share Capital and Corporate Governance - Notification of holdings of voting rights and capital interest".

Corporate governance

Dutch Corporate Governance Code

On 9 December 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, released the Dutch Corporate Governance Code. The Dutch Monitoring Committee Corporate Governance, also know as the Frijns Committee, presented an amended version of the Dutch Corporate Governance Code, which entered into force on 1 January 2009.

The Dutch Corporate Governance Code contains principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.

Dutch companies listed on a government-recognised stock exchange, whether in the Netherlands or elsewhere, are required to disclose in their annual reports whether or not they apply the provisions of the Dutch Corporate Governance Code that are addressed to their management board or supervisory board and, if they do not apply, to explain the reasons why. The Dutch Corporate Governance Code provides that if a company's general meeting of shareholders explicitly approves the corporate governance structure and policy and endorses the explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Dutch Corporate Governance Code.

We apply all of the relevant provisions of the Dutch Corporate Governance Code with the following deviations which, together with the reasons for those deviations, are set out below. Although our deviations shall be disclosed in our annual reports, we shall not ask the General Meeting to explicitly approve such deviations. We note that we operate under a one-

tier board structure, with a Board of Directors consisting of Executive and Non-Executive Directors, whereas the Dutch Corporate Governance Code and the principles and best practice provisions it entails take a two-tier board structure consisting of a board of managing directors *(raad van bestuur)* and a board of supervisory directors (*raad van commissarissen*) as a starting point. For the purpose of our compliance with the Dutch Corporate Governance Code and also in view of section III.8 thereof, our Executive Directors are deemed to perform the tasks and duties of the board of managing directors whilst the Non-Executive Directors will perform the tasks and duties of the board of supervisory directors.

- We currently do not comply with best practice provision II.1.1 which prescribes that a Executive Director is appointed for a maximum of four years. Our current Executive Directors have been appointed for an indefinite period on the basis of service contracts that are entered into for an indefinite period of time as well, and we do not consider it appropriate to renegotiate the existing agreements, in so far as this would be possible given the mandatory provisions of Dutch labour law. For the same reason we currently do not apply with best practice provision II.2.10 and II.2.11, which prescribes that the Non-Execute Directors should have the right, on the basis of a claw-back provision included in the service contracts with Executive Directors, to recover from an Executive Director any variable remuneration awarded on the basis of incorrect financial or other data. It is our intention to comply with these provisions in relation to future appointments of Executive Directors.

- We have adopted an internal risk management and control system in accordance with best practice provision II.1.3. In addition to an internal risk management and control system this best practice provision requires us to adopt a code of conduct. We have not yet prepared such a code but we intend to do so in due course. After adoption of the code we will publish it on our website.

- Best practice provision III.3.3 requires our Non-Executive Directors to follow an induction program. Our current Non-Executive Directors have not followed such programme and we do not think that an induction programme would be useful for them as they have a good understanding of us and our business. We will however organise an induction program for our future Non-Executive Directors, which program will be tailored to each newly appointed Non-Executive Director.

- We have adopted a securities dealing code that applies to dealings in our shares. We do not comply with best practice III.6.5 which requires us to adopt such a securities dealing code that applies to shares other then our shares.

- We do not comply with best practice provision III.8.1, which prescribes that the Chairman of the Board of Directors may not be or have been an Executive Director. Our current Chairman of the Board of Directors Mr. Goossens has been an Executive Director. We believe that Mr. Goossens' extensive experience with and knowledge of our business justifies his chairing our Board of Directors, however.

- Best practice provision IV.1.1 states that the general meeting of shareholders of a company not having statutory two-tier status (*structuurregime*) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board

member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.

We do not fully apply this provision as (i) the quorum requirement in our Articles of Association is half of the issued capital instead of one third and (ii) a new meeting may not be convened. Given the relatively low attendance rate at our General Meetings, we believe that this is appropriate.

- Presently we do not have the provisions for shareholders to follow meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences in real time. As such we do not apply best practice provision IV.3.1. We will investigate the possibilities of creating such a facility.

- We have not yet formulated a policy as regards to bilateral contacts with shareholders as we are required by best practice provision IV.3.13. We will assess the need for such a policy in the following year and dependent on the outcome of such an assessment, we may formulate a policy.

Quoted Companies Alliance's Corporate Governance Guidelines for AIM Companies

Our AIM Quotation does not subject us to the UK Combined Code on Corporate Governance, the UK equivalent of the Dutch Corporate Governance Code. However, as long as our AIM Quotation is maintained and to the extent such compliance does not conflict with our application of the Dutch Corporate Governance Code and to the extent practicable, we intend to comply with the Quoted Companies Alliance's Corporate Governance Guidelines for AIM Companies.

The Quoted Companies Alliance's Corporate Governance Guidelines for AIM Companies state that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term" and set out a code of best practice for AIM companies. These guidelines state, among other things, that:

- certain matters be specifically reserved for the board's decision;

- the board should be supplied with information (including regular management financial information) in a form, and of a quality, appropriate to enable it to discharge its duties;

- the board should, at least annually, conduct a review of the effectiveness of the group's system of internal controls and should report to shareholders that they have done so;

- the roles of chairman and chief executive should not be exercised by the same individual or there should be a clear explanation of how other board procedures provide protection against the risks of concentration of power within the company;

- a company should have at least two independent non-executive directors and the board should not be dominated by one person or group of people;

- all directors should be submitted for re-election at regular intervals subject to continued satisfactory performance;

- the board should establish audit, remuneration and nomination committees; and

- there should be a dialogue with shareholders based on a mutual understanding of objectives.

Disclosure of information

Following the Euronext Amsterdam Listing becoming effective, we will be required to publish our annual accounts within four months after the end of each financial year and our half-yearly figures within two months after the end of the first six months of each financial year. In addition, we will be required to make generally available interim management statements *inter alia* containing an overview of important transactions and their financial consequences in the period starting ten weeks after and ending six weeks before the first and second half of each financial year, or alternatively, we are obliged to publish quarterly financial statements.

In addition we must make a document generally available to the public each year that contains or refers to the information we have made publicly available as described in the preceding paragraph.

Pursuant to the Financial Supervision Act we must make public, by means of a press release, certain inside information. Inside information is knowledge of concrete information directly or indirectly relating to us or the trade in our securities which has not been made public and publication of which could significantly affect the trading price of our securities. Besides making this inside information public, we must also provide the AFM with this inside information at the time of publication and we must without delay publish the inside information on our website and keep it available on our website for at least one year.

Obligations of shareholders to make a public offer

Pursuant to Chapter 5.5 of the Financial Supervision Act on takeover bids, a shareholder who has acquired at least 30% of our voting rights will be obliged to launch a public offer for all our outstanding shares in our share capital. Shareholders acting in concert who have a combined interest of at least 30% of a company's voting rights are also obliged to make a public offer.

Squeeze out proceedings

A person or company (alone or together with group companies) that holds at least 95% of the issued share capital for his own account can bring an action before the Enterprise Chamber of the Amsterdam Court of Appeal against the minority shareholders for the mandatory transfer of their shares to it. The price to be paid for the remaining securities will be determined by the Enterprise Chamber.

An offeror that has made a public bid and has acquired at least 95% of the issued share capital for his own account and holds at least 95% of the voting rights can bring an action before the Enterprise Chamber against the minority shareholders for the mandatory transfer of their shares to it. This action should be instituted with three months after the end of the acceptance period under the public bid. The price to be paid for the remaining securities will be determined by the Enterprise Chamber.

Within three months after the expiry of the acceptance period under a public offer and provided that the offeror has acquired at least 95% of the issued share capital for his own account and holds at least 95% of the voting rights, each minority shareholder can bring an action for the mandatory transfer of its shares before the Enterprise Chamber to the offeror. The price to be paid will be determined by the Enterprise Chamber.

Notification of holdings of voting rights and capital interest

Pursuant to the Financial Supervision Act and the Decree disclosure on major holdings and capital interests in issuing institutions (*Besluit melding zeggenschap en kapitaalbelang in uitgevende instellingen*), certain notification requirements apply to us as well as to holders of our shares.

Pursuant to the Financial Supervision Act, any person whose holding of voting rights and/or capital interest in us, directly or indirectly, reaches, exceeds or falls below the following thresholds: 5%, 10%,15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% must notify the AFM without delay by means of a standard form or through the automated notification system of the AFM. We note that, if enacted without amendment, Legislative Proposal 32 014 shall introduce an additional notification threshold of 3%. Legislative Proposal 32 014 also aims to introduce the obligation for persons that need to notify their holdings per the Financial Supervision Act to concurrently give the AFM notice whether they object to the strategy that a Dutch company that has securities which are admitted to trading on a regulated market shall need to publish on its website pursuant to Legislative Proposal 32 014, and of any subsequent changes in their position in relation to the company's strategy as notified to the AFM.

We must notify the AFM without delay of any changes of 1% or more in our share capital and/or voting rights since the last notification we made to the AFM. Changes that amount to less then 1% must also be notified to the AFM but can be notified periodically.

The AFM keeps a public register of all such notifications. If as a result of such change, a person's direct or indirect interest in our share capital or voting rights passively reaches, exceeds or falls below the abovementioned thresholds, the person in question must give notice to the AFM no later than the fourth trading day after the AFM has published the change in our share capital and/or voting rights in the public register.

In addition, annually within four weeks after the end of the calendar year, every holder of 5% or more of our shares or voting rights whose interest has changed in the period after his most recent notification to the AFM, which change relates to the composition of the notification as a result of certain acts (e.g. the exchange of shares (an actual interest) for depositary receipts for shares (which is a potential interest) or the exercise of a right to acquire shares pursuant to which the potential interest becomes an actual interest) must notify the AFM of such changes.

Members of our Board of Directors must notify the AFM of their interest in our share capital and voting rights within two weeks of their appointment as a member of our Board of Directors. Any subsequent change of their interest in our share capital and voting rights must be notified to the AFM without delay.

The following interests must be taken into account in determining the percentage of capital interest or voting rights: shares, depositary receipts or voting rights held (acquired and/or disposed of) (in)directly by any person (ii) shares, depositary receipts or voting rights held (acquired and/or disposed of) by a controlled undertaking of such person or by a third party for such person's account or by a third party with whom such person has concluded a voting agreement (including a discretionary power of attorney), and (iii) shares, depositary receipts for shares or voting rights which such person, or any controlled undertaking or third party referred to above, may acquire pursuant to any option or other right held by such person (including, but not limited to, on the basis of convertible bonds). In addition, a right of pledge or usufruct on shares or depositary receipts must be added to the percentage of capital interest or voting rights if the pledge or usufructuary can obtain the right to vote on such shares and/or depositary receipts.

Non-compliance with these notification obligations is an economic offence and may lead to criminal prosecution. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. In addition, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed may be instituted by us and/or one or more shareholders who alone or together with others represent(s) at least 5% of our issued and outstanding share capital.

The measures that the civil court may impose include:

- an order requiring the person violating the notification obligations under the Financial Supervision Act to make appropriate notification;

- suspension of voting rights in respect of such person's shares for a period of up to three years as determined by the court;

- voiding a resolution adopted by a general meeting of shareholders, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision about such voiding; and

- an order to the person violating the disclosure obligations under the Financial Supervision Act to refrain, during a period of up to five years as determined by the court, from acquiring the shares and/or voting rights in the shares.

It is noted that the abovementioned notification requirements are independent of and separate from the disclosure obligations pursuant to our Articles of Association as set out under "Description of Share Capital and Corporate Governance – Share capital – Disclosure of shareholdings and voting rights".

Market abuse regime

The rules on preventing market abuse set out in the Financial Supervision Act are applicable to the members of our Board of Directors, other insiders and persons performing or conducting transactions in our securities.

For the purpose of the Financial Supervision Act our insiders are (i) members of our Board of Directors (ii) persons who have a managerial position and in that capacity are authorized to make decisions which have consequences for our future development and business prospects and who, on a regular basis, can have access to inside information relating, directly or indirectly, to us and (iii) certain persons closely associated with the persons mentioned under (i) and (ii) designated by the Dutch Market Abuse Decree (*Besluit marktmisbruik*).

Our insiders are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in our shares or in securities the value of which is at least in part determined by the value of our shares. This notification must be made no later than the fifth business day after the transaction date on a standard form drawn up by the AFM. This notification obligation does not apply to transactions based on a discretionary management agreement. Subject to certain criteria and circumstances, the notification by the insider may be postponed until the date on which the value of the transactions amounts to €5,000 or more in the calendar year in question. If a member of our Board of Directors has notified a transaction to the AFM as described above under "Notification of Holdings of Voting Rights

and Capital Interests" such notification does suffice for the purposes described in this paragraph as well.

The AFM keeps a public register of all notifications made pursuant to the Dutch Financial Supervision Act. Non-compliance with the reporting obligations under the Dutch Financial Supervision Act could lead to criminal fines, administrative fines, imprisonment or other sanctions.

We have adopted an internal code on inside information in respect of the holding of and carrying out of transactions in our shares by the members of Board of Directors and our employees. Further, we have drawn up a list of those persons working for us who could have access to inside information on a regular or incidental basis and we have informed the persons concerned of the rules on insider trading and market manipulation including the sanctions which can be imposed in the event of a violation of those rules.

Taxation

Taxation in the Netherlands

Certain Dutch tax consequences for holders of our shares

This section describes the principal tax consequences that will generally apply to holders of our shares under Dutch tax law, Dutch tax treaties, published case law, regulations and judicial interpretations thereof, in each case as in force and in effect as of the date hereof. This description is subject to changes in Dutch law including changes that could have retroactive effect. No assurance can be given that authorities or courts in the Netherlands, the European Court of Justice (ECJ) or the European Free Trade Association Court (EFTA Court) will agree with the description below. Not every potential tax consequence of such investment under the laws of the Netherlands will be addressed and the description below should not be read as extending by implication to matters not specifically referred to herein. Each holder or prospective investor should therefore consult their own tax advisor with respect to the tax consequences in relation to the acquiring, owning and disposing of our shares.

Taxes on income and capital gains - Resident shareholders

The description of certain Dutch taxes set out in this section "Taxes on income and capital gains - Resident shareholders" is only intended for the following investors:

(1) individuals who are resident or deemed to be resident in the Netherlands and, with respect to personal income taxation, individuals who opt to be taxed as a resident of the Netherlands for purposes of Dutch taxation and who invest in our shares ("**Dutch Individuals**"), excluding individuals:

   (a) who derive benefits from our shares that are taxable as "benefits from miscellaneous activities", which includes activities that exceed normal active portfolio management and so-called "lucrative stakes";

   (b) for whom our shares or any payment connected therewith may constitute employment income; or

   (c) who have a substantial interest, or a deemed substantial interest, in us; and

(2) corporate entities (including associations which are taxed as corporate entities) that are resident or deemed to be resident in the Netherlands for purposes of Dutch taxation and who invest in our shares ("**Dutch Corporate Entities**"), excluding:

   (a) corporate entities that are not subject to Dutch corporate income tax;

   (b) entities which are exempt from Dutch corporate income tax such as - without limitation – a pension fund and an exempt investment institution;

   (c) corporate entities that hold our shares, the benefits derived from which are exempt under the participation exemption (as laid down in the Dutch Corporate Income Tax Act 1969); and

(d) investment institutions as defined in section 28 of the Dutch Corporate Income Tax Act 1969.

Dividends and capital gains from so-called "lucrative stakes" are taxed under Netherlands Individual Income Tax Act as "benefits from miscellaneous activities" if the activities to which the lucrative stake relates are performed in the Netherlands. Briefly summarized, "lucrative stakes" include shares, receivables and rights (broadly put) with certain conditions as employment remuneration that could potentially yield returns that are disproportionate to the amount of capital invested.

Generally, an individual who holds our shares will have a substantial interest if he or she holds, alone or together with his or her partner, whether directly or indirectly, the ownership of, or certain other rights relating to, shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of our total existing issued and outstanding capital or the existing issued and outstanding capital of any class of our shares (without taking into account the potential increase in the issued and outstanding capital in case of exercising rights to acquire newly issued shares), or the ownership of certain profit participating certificates that relate to 5% or more of our annual profit and/or to 5% or more of our liquidation proceeds. A holder of our shares will also have a substantial interest in us if certain relatives (including foster children) of that holder or of his or her partner have a substantial interest in us. If a holder of our shares does not have a substantial interest, a deemed substantial interest will be present if (part of) a substantial interest has been disposed of, by this holder, or is deemed to have been disposed of, on a non-recognition basis.

Generally, the participation exemption will apply if the shareholding interest represents at least 5% of the nominal paid up capital (or, under certain conditions, 5% of the voting rights) of the company concerned. Shareholdings of less than 5% in us may under certain conditions nevertheless still benefit from the participation exemption.

Dutch individuals not engaged or deemed to be engaged in an enterprise.

Generally, a Dutch individual who holds shares that are not attributable to an enterprise from which it derives profits as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder (a "**Dutch Private Individual**"), will be subject to a fictitious yield tax. Irrespective of the actual income and/or capital gains, the annual taxable benefit of all the assets and liabilities of a Dutch individual that are taxed under such regime including, as the case may be, our shares, is set at a fixed percentage. This percentage is 4% of the average fair market value of these assets and liabilities at the beginning and at the end of every calendar year (minus a tax-free amount). The tax rate applicable under the fictitious yield tax is 30%.

Dutch individuals engaged or deemed to be engaged in an enterprise and Dutch Corporate Entities.

Any benefits derived or deemed to be derived from the common shares (including any capital gains realized on the disposal thereof) that are attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), are generally subject to personal income tax in its hands. Any benefits derived or deemed to be derived from the common shares (including any capital gains realized on the disposal thereof) that are held by a Dutch Corporate Entity are generally subject to corporate income tax in its hands.

Taxes on income and capital gains – Non-Resident Shareholders

This section describes certain Dutch tax consequences for a holder of our shares who is neither resident nor deemed to be resident in the Netherlands (a "**Non-Resident Shareholder**"). This section does not describe the tax consequences for Non-Resident Shareholders that hold our shares as a participation under the participation exemption as laid down in the Dutch Corporate Income Tax Act 1969 via a Dutch permanent establishment or a Dutch permanent representative.

It is noted that a Non-Resident Shareholder will not become resident, or be deemed to become resident, in the Netherlands solely as a result of holding our shares, or of the performance, execution, delivery and/or enforcement of rights in respect of our shares.

A Non-Resident Shareholder will not be subject to any Dutch taxes on income or capital gains in respect of dividends we distribute (other than withholding tax described below) or in respect of any gain realized on the disposal of our shares, provided that:

(1) such Non-Resident Shareholder does not derive profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a (deemed) permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative, as the case may be, our shares are attributable;

(2) such Non-Resident Shareholder does not have a substantial interest or a deemed substantial interest in us, or, if such holder does have such an interest, it forms part of the assets of an enterprise;

(3) if such Non-Resident Shareholder is an individual, the benefits derived from the shares are not taxable in the hands of such holder as a "benefit from miscellaneous activities" in the Netherlands, which includes activities that exceed normal active portfolio management and so-called "lucrative stakes";

(4) such Non-Resident Shareholder is not entitled, other than by way of the holding of securities or through an employment contract, to a share in the profits of an enterprise effectively managed in the Netherlands to which enterprise the shares or payments in respect of the shares are attributable;

(5) such Non-Resident Shareholder does not carry out and has not carried out employment activities in the Netherlands, does not serve and has not served as a director or a board member of an entity resident in the Netherlands and does not serve and has not served as civil servant of a Dutch public entity with which the holding of or income derived from the shares is connected; and

(6) if such Non-Resident Shareholder is an individual, he or she does not opt to be taxed as a resident of the Netherlands for purposes of Dutch taxation.

See the section "Taxes on income and capital gains - Resident shareholders" for a description of the circumstances under which our shares form part of a substantial interest or may be deemed to form part of a substantial interest in us. It is noted that both non-resident individuals and non-resident corporate entities can hold a substantial interest.

Withholding tax

Dividend distributions we make on our shares are subject to a withholding tax imposed by

the Netherlands at a rate of 15%. Such withholding tax will generally not be for our account, however, we are responsible for the withholding of such tax at the source.

The concept dividend distribution used in this section includes, but is not limited to:

(1) distributions in cash or in kind, deemed and constructive distributions and (partial) repayments of paid-in capital not recognized for Dutch dividend withholding tax purposes;

(2) liquidation proceeds in excess of the qualifying average paid-in capital for Dutch dividend withholding tax purposes;

(3) consideration for the redemption of our shares, or, as a rule, consideration for the repurchase of shares by us (including a purchase by one of our direct or indirect subsidiaries) in excess of the qualifying average paid-in capital of these specific class of shares for Dutch dividend withholding tax purposes, unless such repurchase is made for temporary investment purposes or is exempt by law;

(4) the par value of our shares issued to a holder of our shares or an increase of the par value of our shares (unless distributed out of qualifying paid-in capital for Dutch dividend withholding tax purposes), to the extent that it does not appear that a contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and

(5) partial repayment of paid-in capital, recognized for Dutch dividend withholding tax purposes, if and to the extent that we have (cumulative) net profits, or can expect to derive such profits (anticipated profits), unless:

    (a) our General Meeting has resolved in advance to make such repayment; and

    (b) prior to the repayment the par value of our shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association.

If a holder of our shares, whether an individual or an entity, is resident in a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and the holder is a qualifying resident for purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund (in whole or in part) of the Dutch dividend withholding tax, provided the holder is the beneficial owner of the dividend.

Entities that are resident of a country which is a member of the European Union and that qualify for the application of the EU Parent Subsidiary Directive are eligible for an exemption of dividend withholding tax, provided certain conditions are met (one of the conditions is that the parent company that is resident in the European Union must have a shareholding of at least 5% and be the beneficial owner of the dividend). The same applies to certain qualifying entities resident in Norway and Iceland.

Subject to certain conditions, an entity resident in a member state of the European Union, that is not subject to a profit based tax in that member state, and, should that entity be a resident in the Netherlands, would not be subject to Dutch corporate income tax, is entitled to a refund of the Dutch dividend withholding tax withheld.

Dutch resident individuals and Dutch resident corporate entities can generally credit the withholding tax against their personal income tax or corporate income tax liability and are generally entitled to a refund of dividend withholding taxes exceeding their aggregate personal income tax or corporate income tax liability, unless such individual or such entity is not the beneficial owner of the dividend.

Based on a legal provision, a recipient of dividends will not be considered the beneficial owner thereof if as a consequence of a combination of transactions:

- a person other than the recipient wholly or partly benefits from the dividends;
- the recipient is entitled to a larger reduction or refund of withholding tax than such person; and
- such person retains, whether directly or indirectly, an interest in the shares on which the dividends were paid comparable with his position in similar shares before such combination of transactions.

The term combination of transactions includes the sole acquisition of one or more dividend coupons and the establishment of short-term rights of enjoyment on our shares, while the transferor retains the ownership of our shares. The provisions apply to the transfer of our shares and dividend coupons and also to transactions that have been entered into in the anonymity of a regulated stock market.

Gift and inheritance taxes

Resident shareholders

A liability to gift tax will arise in the Netherlands with respect to an acquisition of our shares by way of a gift by an individual who is resident in the Netherlands or a corporate entity that is resident in the Netherlands. A liability to inheritance tax will arise in the Netherlands with respect to an acquisition or deemed acquisition of our shares by way of an inheritance or bequest on the death of an individual who is resident in the Netherlands.

For purposes of Dutch gift and inheritance taxes, an individual who holds Dutch nationality will, inter alia, be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death.

For purposes of Dutch gift tax, an individual not holding Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Furthermore, under exceptional circumstances, a shareholder will be deemed to be a resident of the Netherlands for purposes of Dutch gift and inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect(s).

Non-Resident Shareholders

No liability for gift or inheritance taxes will arise in the Netherlands with respect to an acquisition of our shares by way of a gift by, or on the death of, a Non-Resident Shareholder, unless:

(1) such Non-Resident Shareholder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part,

carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative, as the case may be, our shares are or were attributable; or

(2) such Non-Resident Shareholder at the time of the gift is or at the time of his or her death was entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities, or through an employment contract, to which enterprise our shares are or were attributable, or are or were deemed to be attributable; or

(3) in the case of a gift of our shares by an individual who at the time of the gift was a Non-Resident Shareholder, such individual dies within 180 days after the date of the gift while (at the time of his death) being resident or deemed to be resident in the Netherlands.

Value added tax

No Dutch value added tax will arise in respect of payments in consideration for the acquisition or the disposition of our shares, or in respect of payments by us under our shares.

Other taxes and duties

No Dutch capital contribution tax, registration tax, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by the investors in respect of or in connection with the subscription, issue, placement, allotment or delivery of our shares.

Certain UK tax aspects

UK stamp duty and stamp duty reserve tax

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or stamp duty reserve tax ("**SDRT**"), or to persons connected with depositary arrangements or clearance services, who may be liable at a higher rate.

Transfer of depositary interests on AIM

No UK stamp duty or SDRT will be payable by shareholders on the issue by the Depositary of depositary interests representing our shares.

Assuming that transfers of depositary interests operate without any written instrument or transfer or written agreement to transfer, no stamp duty will be payable by the purchasers of depositary interests. Provided our shares are listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (for which purpose Euronext Amsterdam is so recognised), no SDRT will be payable in respect of agreements to transfer depositary interests representing our shares (whether electronic or written) because the depositary interests meet all the criteria set out for SDRT exemption granted in The Stamp Duty Reserve Tax (UK Depositary Interests in Foreign Securities) Regulations 1999 (SI 1999/2383) as amended.

Transfer by persons holding depositary interests of shares on Euronext Amsterdam

No UK stamp duty or SDRT will be payable by persons holding depositary interests in respect of the cancellation of such depositary interests in exchange for the delivery of the underlying shares in book-entry form for the purposes of trading those shares on Euronext Amsterdam, and no SDRT will be payable in respect of agreements to transfer the shares in book entry form on Euronext Amsterdam, provided the shares are not maintained on a share register kept in the UK and the shares are not paired with any UK shares. If these conditions are not met, SDRT will be chargeable at the rate of 0.5 per cent.

We will not be responsible for the payment of the stamp duty or SDRT in any case. Any shareholder who is in doubt as to his or her tax position or who is or may be subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser without delay.

Euronext Amsterdam Listing and AIM Quotation

Euronext Amsterdam Listing

General

Our shares are expected to be admitted to listing and trading on Euronext Amsterdam on 22 October 2009. On Euronext Amsterdam, our shares shall be quoted in euro.

The shares traded on Euronext Amsterdam shall trade under the following characteristics:

ISIN Code: NL0009272137
Euronext Amsterdam Symbol: CRYO

Shares traded on Euronext Amsterdam are settled in book-entry form through the book-entry facilities of Euroclear Nederland. The address of Euroclear Nederland is:

Euroclear Nederland
Herengracht 459-469
1017 BS Amsterdam
The Netherlands

The settlement and paying agent in relation to our shares that are traded on Euronext Amsterdam is:

Kempen & Co N.V.
Beethovenstraat 300
1077 WZ Amsterdam
The Netherlands

Trading of our shares on Euronext Amsterdam

Qualifying ENL Account

A person that wants to trade its shares on Euronext Amsterdam must have or open an account, directly or by way of an intermediary, with an affiliated institution (*aangesloten instelling*) of Euroclear Nederland (such account, a "**Qualifying ENL Account**").

Persons holding shares in book-entry form

A person holding shares in book-entry form within the book-entry facilities of Euroclear Nederland that wants to trade its shares on Euronext Amsterdam must instruct the affiliated institution that administers its Qualifying ENL Account or the intermediary (as applicable) accordingly.

Persons holding shares in registered form

A person holding shares in registered form and who is registered in our shareholder's register as such that wants to trade its shares on Euronext Amsterdam must arrange for its shares to be included in the book-entry facilities of Euroclear Nederland. This inclusion shall be effected by means of the execution of a deed between the relevant person, Kempen & Co N.V. in its capacity as the settlement agent and ourselves. This deed can be obtained free of

charge by sending a request for the deed in writing, by post, fax or e-mail to us at our business address:

Cryo-Save Group N.V.
IJsselkade 8
7201 HB Zutphen
The Netherlands
fax: + 31 575 50 91 16
e-mail: ir@cryo-save.com

Alternatively, such deed can be obtained free of charge by sending a request for the deed in writing, by post, fax or e-mail to Kempen & Co N.V. at its business address:

Kempen & Co N.V.
Beethovenstraat 300
1077 WZ Amsterdam
The Netherlands
fax: + 31 20 348 9548
e-mail: kas@kempen.nl

Following the execution of the deed, the shares thus included in the book-entry facilities of Euroclear Nederland shall be credited to the Qualifying ENL Account which the relevant person needs to have or open as set out above.

Persons holding shares in the form of depositary interests through CREST

A person holding shares in the form of depositary interests through CREST (see below under "Euronext Amsterdam Listing and AIM Quotation – AIM Quotation – CREST and depositary interests") that wants to trade its shares on Euronext Amsterdam must instruct Capita IRG Trustees Limited to cancel its depositary interests and transfer the underlying shares in book-entry form to the Qualifying ENL Account which the relevant person needs to have or open as set out above.

The cancellation of depositary interests in exchange for the underlying shares in book-entry form shall be effected by means of the submission of a duly completed CREST withdrawal form that can be obtained free of charge by contacting Capita IRG Trustees Limited on: +44 208 639 3135.

Further market information relevant to our Euronext Amsterdam Listing

As a consequence of our Euronext Amsterdam Listing becoming effective, we shall become subject to Dutch securities regulations and supervision by the relevant Netherlands authorities.

The AFM is the market regulator in the Netherlands and supervises market conduct of the parties active on the securities markets. The AFM has supervisory powers with respect to the application of takeover regulations and compliance with financial reporting requirements. It also supervises financial intermediaries and investment advisers. With the implementation of the Prospectus Directive on 1 July 2005, the AFM became the competent authority for approving all prospectuses published for admission of securities to trading on Euronext Amsterdam, save for prospectuses approved in other European Economic Area states that are used in the Netherlands in accordance with applicable passporting rules. With the implementation of the Market Abuse Directive and related Commission Directives on 1 October 2005, the AFM assumed Euronext's supervisory powers with respect to publication

of inside information by listed companies. The surveillance unit of Euronext continues to monitor and supervise all trading operations.

AIM Quotation

General

Our shares have been admitted to trading on the AIM market of the London Stock Exchange since 6 November 2007. On AIM, our shares are quoted in pounds sterling.

The shares traded on AIM trade under the following characteristics:

ISIN Code: NL0009272137
SEDOL B4TBMF0
AIM Symbol: CRYO

Shares traded on AIM are settled in the form of depositary interests through CREST, the book-entry facilities of Euroclear UK & Ireland. The address is:

Euroclear UK & Ireland
33 Cannon Street
London EC4M 5SB
United Kingdom

CREST and depositary interests

Since the admission of our shares to trading on AIM on 6 November 2007, our shares can be delivered, held and settled in CREST by means of dematerialised depositary interests representing those shares. CREST is a computerised paperless share transfer and settlement system operated by Euroclear UK & Ireland which allows shares and other securities, including depositary interests, to be held in uncertificated rather than certificated form. Our shares are not, and cannot, themselves be admitted to CREST but our depositary, Capita IRG Trustees Limited (the "**Depositary**") has issued, and agreed to issue, depositary interests in respect of those shares.

Depositary interests are independent securities constituted under a trust deed poll subject to English law, which may be held and transferred through the CREST system. Depositary interests have the same security code (ISIN) as the underlying shares and do not have (or require) a separate quotation on AIM. CREST members are able to hold and transfer interests in shares held by means of depositary interests within CREST pursuant to the depositary interest arrangement established by us. As of 6 November 2007, all of our shares are eligible to participate in this arrangement.

The Depositary (through its custodian) holds the shares of all persons participating in the depositary interest arrangement on trust for the benefit of such persons who hold depositary interests issued in respect of the underlying shares. The Depositary has agreed to pass on to persons holding depositary interests all rights and entitlements which the Depositary receives or is entitled to in respect of the shares, such as any rights or entitlements to dividends or other distributions, and to attend and vote at General Meetings.

CREST is a voluntary system and persons who hold their shares in book-entry form or in registered form will continue to be able to do so.

Further information on the depositary interests arrangement established by us can be found in our AIM Admission Document dated 31 October 2007, which is available on our website.

Trading of our shares on AIM

Qualifying CREST Accounts

A person that wants to trade its shares on AIM must have or open an account, directly or by way of an intermediary, with a member of CREST (such account, a "**Qualifying CREST Account**").

Persons holding shares by means of depositary interests

A person holding shares in the form of depositary interests that wants to trade its shares on AIM must instruct the CREST member that administers its Qualifying CREST Account or the intermediary (as applicable) accordingly.

Persons holding shares in registered form

A person holding shares in registered form and who is registered in our shareholders register as such that wants to trade its shares on AIM must arrange for its shares to be included in the book-entry facilities of Euroclear Nederland as set out above. The relevant person must then follow the steps set out below under "Persons holding shares in book-entry form"

Persons holding shares in book-entry form

A person holding shares in book-entry form within book-entry facilities of Euroclear Nederland who wants to trade its shares on AIM must request the Depositary to accept the deposit of its shares with the Depositary's custodian in exchange for the issue of depositary interests under the depositary interest arrangement, such depositary interests to be credited to the Qualifying CREST Account which the relevant person needs to have or open as set out above.

A request to the Depositary to accept the deposit of shares with the Depositary's custodian in exchange for the issue of depositary interests under the depositary interest arrangement shall be made by means of the submission of a duly completed CREST deposit form that can be obtained by contacting Capita IRG Trustees Limited on: + 44 208 639 3135.

UK stamp duty and stamp duty reserve tax

The attention of persons who hold or acquire our shares or depositary interests representing our shares is drawn to "Taxation – Certain UK tax aspects – UK stamp duty and stamp duty reserve tax".

Further information relevant to our AIM Quotation

Further information relevant to our AIM Quotation can be found in our AIM Admission document dated 31 October 2007, which is available on our website.

General Information

Available information

Annually, within four months of the end of our financial year, we are required to prepare and make generally available the annual financial statements consisting of (i) the audited annual accounts, (ii) the annual report, and, in addition thereto, (iii) responsibility statements of each member of the Board of Directors. Furthermore we are required to make generally available as soon as possible, but no later than two months after the end of the first half-year period of the financial year, our half-yearly financial statements consisting of (i) the half-yearly accounts, (ii) the half-yearly report, (iii) responsibility statements of each member of the Board of Directors and (iv) the auditor's report, if any. In addition we are required to make generally available interim management statements during each half-year period. The interim management statements will be made generally available in the period between ten weeks after the beginning and six weeks before the end of the relevant half-year period.

The financial information as described above will be made generally available by way of issuing a press release in which publication of the relevant financial information is announced with reference to our website where the relevant financial information will be available.

Documents on display

Copies of our annual reports for the years 2006, 2007 and 2008, our unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009 and our Articles of Association may be obtained free of charge for a period of twelve months following the date of this Prospectus by sending a request in writing to us at our business address: IJsselkade 8, 7201 HB Zutphen, the Netherlands. The annual reports, interim financial statements and the Articles of Association are also available via www.cryo-savegroup.com.

Independent auditors

KPMG Accountants N.V., independent auditors with their address at Mr. B.M. Teldersstraat 7, 6842 CT Arnhem, the Netherlands, have audited, and rendered unqualified auditors' reports on, our consolidated financial statements as at and for the years ended 31 December 2007 and 2008, incorporated by reference in this Prospectus, as stated in their reports thereon which are also, with the written consent of KPMG Accountants N.V., incorporated by reference in this Prospectus.

KPMG Accountants N.V. has reviewed and rendered an unqualified review report on our unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009 that has been included in this Prospectus (beginning of page F-2), as stated in such report which is also included in this Prospectus (on page F-12). The comparative financial information as at and for the six months period ended 30 June 2008 has not been reviewed.

Kropff & Partners, independent auditors with their address at Deventerweg 111, 7203 AE Zutphen, the Netherlands, have audited, and rendered an unqualified auditors' report on, our consolidated financial statements as at and for the year ended 31 December 2006, incorporated by reference in this Prospectus, as stated in their report thereon which is also, with the written consent of Kropff & Partners, incorporated by reference in this Prospectus.

Each audit partner of KPMG Accountants N.V. as well as each audit partner of Kropff & Partners is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*).

Organisational structure

Cryo-Save Group N.V. is a holding company, which currently has 22 wholly and partly owned subsidiaries. The overview below sets out our wholly and partly owned subsidiaries, their country of organisation, and the effective ownership in such subsidiaries as per the effective date of this Prospectus.

Subsidiary	**Country of organisation**	**Percentage of Ownership**
Archiv Buněk s.r.o.	Czech republic	70%
Crio Cord S.L.	Spain	100%
Cryo-Save (Pty) Ltd.	South Africa	100%
Cryo-Save AG	Switzerland	100%
Cryo-Save Balcanica S.A.	Greece	100%
Cryo-Save Cerdre S.a.r.l.	France	100%
Cryo-Save Espana S.A.	Spain	100%
Cryo-Save France S.A.S.	France	100%
Cryo-Save GmbH	Germany	100%
Cryo-Save Immobliere SCI	France	99%
Cryo-Save India Private Limited	India	100%
Cryo-Save Italia S.r.L.	Italy	100%
Cryo-Save Polska Sp.z.o.o.	Poland	100%
Cryo-Save Portugal L.d.a.	Portugal	100%
Cryo-Save Stammzelltechnologie GmbH	Germany	100%
Cryo-Save UK Ltd.	United Kingdom	100%
Output Pharma Services GmbH	Germany	100%
Salus Futura Ltd.	United Kingdom	100%

Subsidiary	Country of organisation	Percentage of Ownership
Salus Futura S.r.L.	Italy	100%
Sejtbank Egészségügyi Szolgáltato Korlátolt Felelösségü Társaság b.a.	Hungary	70%
The Cell-Factory Factory N.V.	Belgium	99%
Valor Conexo S.G.P.S LDA.	Portugal	100%

In addition to our 22 subsidiaries we have an associate, Cryo-Save Limited in the United Arab Emirates (percentage of ownership 35%), which holds 99% of the shares of Cryo-Save Arabia FZ-L.L.C. in the United Arab Emirates. We also have 3 branches, Cryo-Save Labs Branch Belgium in Belgium, Cryo-Save Branch Czech Republic in the Czech Republic and Cryo-Save Branch Hungary in Hungary. Also part of our organisational structure is the Dutch foundation (*stichting*) Stichting Cryo-Save.

Material contracts

Except for those listed below, there are no material contracts (not being entered into in the ordinary course of business) that we or any of or subsidiaries have entered into within the two years immediately preceding the date of this Prospectus.

Agreement with Labco

On 2 July 2009, we signed an exclusive distribution agreement with General Lab S.A. and certain related companies (collectively "**Labco**"). Labco is active in performing clinical testing in its laboratories in close collaboration with clinics and hospitals in Spain and Portugal. Pursuant to the agreement, Labco shall provide us with certain business development services in Spain and Portugal. In addition to a down payment, the agreement entitles Labco to a fixed annual fee and result related fees if a certain minimum number of samples is collected in hospitals or clinics with Labco presence and/or if a certain minimum number of samples is stored in Spain and Portugal. The agreement has a 10-year term.

Agreement with Al Zahrawi Group of Companies Limited

Under a joint venture agreement dated 16 February 2005 with Al Zahrawi Group of Companies Limited ("**AZG**"), AZG and us have established the company Al Zahrawi Life Sciences Ltd ("**Al Zahrawi**") for the purposes of conducting the collection, transport, processing and storage of stem cells. The liability of the shareholders in Al Zahrawi is limited to the extent of their shareholdings.

We have agreed with AZG that we would hold 35% of the shares in Al Zahrawi with the remainder being held by AZG. We have also agreed that 10% of the annual net profits of Al Zahrawi would be retained in a legal reserve account and such amount as the board of Al Zahrawi shall determine to be distributed as dividends will be paid to the shareholders in proportion to their shareholdings.

We have the right to appoint one director to the board of Al Zahrawi and AZG has the right to appoint two directors. We have agreed to licence to the joint venture company all of our

patents and trade marks relevant to the objects of the joint venture company in the Jebel Ali Free Zone Authority. We are entitled to a 10% royalty payment for every trade mark or patent used by the joint venture company.

Quota purchase agreement regarding the acquisition of Crio Cord

On 13 June 2008 we purchased all shares in our Spanish distributor Crio Cord S.L. from the management of Crio Cord for a consideration consisting of an initial, fixed amount of €15 million and a variable performance related part (earn-out) which requires us to pay €310 per sample that arrives at our processing and storage facilities by reference of Crio Cord, exceeding a minimum number of samples per year, until 31 December 2011. The acquisition was effected by the purchase of all the shares in the Portuguese holding company of Crio Cord, Valor Conexo S.G.P.S LDA (which holds 66.75% of the Crio Cord shares) and the outstanding 33.25% Crio Cord shares from the management of Crio Cord.

The quota purchase agreement contains limited representations and warranties for our benefit, which lapse on 31 December 2011. The liability of the sellers under the representations and warranties is maximised at €1 million.

After execution of the quota purchase agreement, the sellers remained employed as Crio Cord management.

A non compete clause has been included in our favour which prohibits the sellers to engage in competing business in any European territory in which we are active until 31 December 2011. They shall be released from this non compete obligation, if the event that we would terminate their employment without cause or in the event of a change of control.

For the impact of the acquisition of Crio Cord materially on our 2008 financial result, see also "Unaudited Pro Forma Combined Financial Information".

Share purchase agreement regarding the acquisition of Sejtbank and Archiv Buněk s.r.o

On 30 January 2008, we acquired a 70% interest in Sejtbank Egészségügyi Szolgáltato Korlátolt Felelösségü Társaság b.a. ("**Sejtbank**"), a Hungarian company for a consideration consisting of an initial, fixed amount of €3.25 million and a variable performance related part (earn-out) which requires us to pay 3% of the yearly gross total income deriving from the provision of services of Sejtbank in Hungary and its then 100% subsidiary Archiv Buněk in the Czech Republic respectively, for as long as the sellers, which include the current managing director of Sejtbank - who held on to a 30% interest in Sejtbank - or their successors remain shareholders of Sejtbank and as long as we remain a shareholder of Sejtbank and Archiv Buněk, but maximally until 30 years after the closing date. Subject to us complying with our obligations to pay the variable performance related part of the consideration, the sellers have agreed to waive their rights to dividend payments. The total consideration to be paid under the agreement is maximised to an amount of £80 million.

The sellers have a put option right in relation to the shares they retained, entitling them to have us purchase such shares for a consideration of €1.4 million increased on a yearly basis by the average of the increase of revenue of Sejtbank and Archiv Buněk respectively in the last three calendar years preceding the exercise of the put option. The put option right is only exercisable if we fail to comply with our obligations to pay the variable performance related part of the consideration, or if managerial position of the current managing director terminates, is otherwise limited or if an additional managing director is appointed. In addition, the share purchase agreement contains tag along and drag along provisions.

The share purchase agreement does include representations and warranties, but the period during which claims could be made has lapsed.

A non compete clause has been included in our favour which prohibits the sellers to engage in competing business in Hungary for a duration of five years. We have committed to the sellers that as long as they (or their successors) remain shareholders of Sejtbank, we will not engage in competing business in Hungary.

Following the acquisition of 70% of the shares in Sejtbank, we purchased from Sejtbank 70% of the shares it held in its 100% subsidiary, Archiv Buněk s.r.o. on 7 February 2008.

Private agreement for the sale of shares and shareholders agreement regarding the acquisition of the remaining shares of Cryosave Balcanica S.A.

On 17 July 2008 we acquired the remaining 50% in our joint venture Cryosave Balcanica S.A. from its management for a consideration consisting of an initial, fixed amount of €4.1 million and a variable performance related part (earn-out) which requires us to pay €100 per sample stored by all our South East European operations, exceeding a minimum number of samples per year, until 17 July 2011.

The agreement contains limited representations and warranties for our benefit.

A non compete clause has been included in our favour which prohibits the sellers to engage in competing business in the countries where we operate until 17 July 2011.

Sale and lease back agreement regarding the processing and storage facility in Niel, Belgium

In March 2009 we entered into a sale and lease back agreement with ING Lease Belgium N.V. in relation to our processing and storage facility in Niel, Belgium. Pursuant to the agreement, ING Lease Belgium N.V. has purchased the facility and agreed to finance its reconstruction, resulting in a total payment obligation of ING Lease Belgium to us of €4.3 million, which amount we received.

We have the right to lease the facility for a fixed period of 15 year commencing on 1 September 2009. Lease instalments are paid in advance quaterly, and are computed on an annuity basis. After the initial 15-year lease period we have the right to repurchase the facility from ING Lease Belgium N.V. for €0.4 million (10% of the €4.3 million payment received from ING Lease Belgium N.V.).

For the purpose of the sale and lease back agreement we granted a right of superficies in favour of ING Lease Belgium N.V. on the property on which the laboratory is constructed. The right of superficies is granted free of charge for a period of 25 years and in addition ING Lease Belgium N.V. has the right to extend the right of superficies for another 25 years.

The agreement contains an indemnification in favour of ING Lease Belgium N.V. for all costs arising from soil contamination. In the event we do not fulfil our financial obligations, ING Lease Belgium N.V. has the right to acquire the property on which the facility is build for a fair market price. In addition, ING Lease Belgium N.V. has the right of first refusal should we wish to sell the property to a third party.

As security for the proper fulfilment of the obligations out of the agreement, we have subordinated a claim amounting to €950,000 we have on a group company to the payment of lease instalments.

No significant change

There has been no significant change in our trading or financial position since 30 June 2009, the date to which our most recent unaudited condensed consolidated interim financial statements were prepared.

Definitions and Glossary

The following definitions apply throughout this document, unless the context requires otherwise:

"AABB"	American Association of Blood Banks
"AFM"	the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
"AIM Quotation"	the admission of our issued and to be issued shares to trading on AIM in accordance with the AIM Rules
"AIM"	a market operated by the London Stock Exchange
"AIM Rules"	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers published by London Stock Exchange
"AIM Rules for Companies"	the AIM Rules for Companies published by London Stock Exchange
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by London Stock Exchange
"Articles of Association"	the articles of association (*statuten*) of the Company as they will read after the amendment to be made on or prior to the Euronext Amsterdam Listing Date
"Audit Committee"	the audit committee of the Board of Directors
"Board of Directors"	the board of directors of the Company *(directie*), consisting of Executive Directors and Non-Executive Directors
"certificated" or "in certificated form"	not in uncertificated form
"Company"	Cryo-Save Group N.V.
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
"CREST"	the system of paperless settlement of trades in listed securities and holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations

"cryopreservation"	the process of storing semen, ova, corneas, embryos, or body tissue at extremely low temperatures for future use
"Directors"	the Executive Directors and the Non-Executive Directors
"EBITA"	Earnings Before Interest, Taxes, and Amortization of identified intangible assets obtained through acquisitions (In our financial statements "Operating profit, less depreciation and amortization of identified intangible assets obtained through acquisitions").
"EBITDA"	Earnings Before Interest, Taxes, Depreciation and Amortization (In our financial statements "Operating profit, less depreciation and amortization".)
"EFSAL"	Establissement Français du Sang Aquitaine
"Euroclear Nederland"	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
"Euroclear UK & Ireland"	Euroclear UK & Ireland Limited, the operator of the CREST system
"Euronext Amsterdam Listing Date"	the date that the Euronext Amsterdam Listing will become effective and that dealings in the Company's shares on Euronext Amsterdam will commence, expected to occur on 22 October 2009
"Euronext Amsterdam Listing"	the admission to listing and trading on Euronext Amsterdam of all of the Company's existing shares with a nominal value of €0.10 per share under the symbol CRYO as per the Euronext Amsterdam Listing Date
"Euronext Amsterdam"	Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam N.V.
"Euronext"	Euronext Amsterdam N.V.
"Executive Directors"	the members of the Board of Directors who are responsible for the Company's day-to-day operations
"Financial Supervision Act"	the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)

"General Meeting"	any general meeting of the shareholders of the Company (*algemene vergadering van aandeelhouders*)
"GMP"	Good Manufacturing Practice, guidelines of *inter alia* the Food and Drug Administration (FDA), the European Medicines Agency (EMEA) and the World Health Organisation (WHO), for the control and management of manufacturing and quality control of foods, pharmaceutical products, and medical devices.
"Group"	the Company and its subsidiaries from time to time (each a "Group Company")
"Haematopoietic stem cells" or "HSCs"	a well-characterised population of adult stem cells, which are committed to developing into blood cells. They are relatively easy to obtain and have been used for decades to treat blood cancers and other blood disorders
"IFRS-EU"	International Financial Reporting Standards as adopted by the European Commission for use in the European Union
"London Stock Exchange"	London Stock Exchange plc
"Mesenchymal stem cells or MSCs"	stem cells that are able to form a wide variety of cells in a laboratory, including fat cells, cartilage, bone, tendon and ligaments, muscle cells, skin cells and even nerve cells. The cells can be maintained and grown in culture for long periods of time, without losing their capacity to form all of part of the above cell types
"Net cash"	Cash and cash equivalents in excess of outstanding debt
"Non-Executive Directors"	the members of the Board of Directors who supervise the policies pursued by the Executive Directors
"Prospectus Directive"	Directive 2003/71/EC
"Prospectus"	this Prospectus
"Regulation S"	Regulation S under the Securities Act
"Securities Act"	the United States Securities Act of 1933, as amended

"Sejtbank"	Sejtbank Egészségügyi Szolgáltato Korlátolt Felelösségü Társaság b.a.
"Selection, Appointment and Remuneration Committee"	the selection, appointment and remuneration committee of the Board of Directors
"Share Consolidation"	the share consolidation and redenomination of our shares that was effected following the close of trading of our shares on AIM on 7 October 2009 by means of an amendment of our articles of association, as consequence of which for every five shares with a nominal value per share of €0.02 held by a shareholder immediately prior to close of trading on 7 October 2009, a shareholder held one share with a nominal value of €0.10 immediately following the Share Consolidation.
"UAE"	the United Arab Emirates
"uncertificated" or "in uncertificated form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the regulations of CREST, may be transferred by means of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions
"VAT"	value added tax

Index to the Financial Statements

Unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2009

Condensed Consolidated Interim Financial Statements as at and for the Six Months ended 30 June 2009

These condensed consolidated interim financial statements are unaudited.

Condensed consolidated statement of income
in thousands of euro

For the six months ended 30 June

	Notes	2009	2008
Revenue	7	18,622	12,235
Cost of sales		(5,375)	(3,919)
Gross profit		**13,247**	**8,316**
Marketing and sales expenses		4,880	3,059
Research and development expenses		170	59
General and administrative expenses	8	6,772	4,207
Total operating expenses		11,822	7,325
Operating profit		**1,425**	**991**
Finance income		41	1,037
Finance costs		(276)	(213)
Net finance (costs)/income		**(235)**	**824**
Results relating to equity-accounted investees		0	0
Profit before taxation		**1,190**	**1,815**
Income tax expense	9	262	159
Profit for the period		**928**	**1,656**
Attributable to:			
- Equity holders of the Company		928	1,656
- Non-controlling interest		-	-
Profit for the period		**928**	**1,656**
Earnings per share (in euro cents)	10		
- Basic		2.0	3.5
- Diluted		2.0	3.5

Condensed consolidated statement of comprehensive income
in thousands of euro

For the six months ended 30 June	**2009**	**2008**
Profit for the period	**928**	**1,656**
Other comprehensive income		
Foreign currency translation differences	(76)	27
Income tax on other comprehensive income	-	-
Other comprehensive income for the period	(76)	27
Total comprehensive income for the period	**852**	**1,683**
Attributable to:		
- Equity holders of the Company	852	1,683
- Non-controlling interest	-	-
Total comprehensive income for the period	**852**	**1,683**

Condensed consolidated statement of financial position in thousands of euro	**Notes**	**30 June 2009**	**31 December 2008**
Assets			
Intangible assets		39,078	37,438
Property, plant and equipment		12,190	10,421
Investments in equity accounted investees		0	0
Deferred tax assets		830	640
Trade and other receivables		956	1,304
Total non-current assets		**53,054**	**49,803**
Inventories		318	287
Trade and other receivables		8,419	8,156
Current tax assets		770	1,205
Cash and cash equivalents	11	8,953	4,697
Total current assets		**18,460**	**14,345**
Total assets		**71,514**	**64,148**
Equity	12		
Issued share capital		964	964
Share premium reserve		38,178	38,178
Revaluation reserve		719	769
Legal reserve		108	108
Translation reserve		(524)	(448)
Treasury shares		(3,603)	(3,497)
Retained earnings		7,622	6,979
Equity attributable to equity holders of the Company		**43,464**	**43,053**
Non-controlling interest		-	-
Total equity		**43,464**	**43,053**
Liabilities			
Borrowings		3,862	111
Deferred revenue		5,160	4,885
Deferred tax liabilities		2,738	2,827
Other liabilities		6,738	5,830
Total non-current liabilities		**18,498**	**13,653**
Borrowings		542	38
Deferred revenue		520	389
Trade and other payables		6,734	5,052
Current tax liabilities		1,756	1,963
Total current liabilities		**9,552**	**7,442**
Total liabilities		**28,050**	**21,095**
Total equity and liabilities		**71,514**	**64,148**

Condensed consolidated statement of changes in equity
in thousands of euro

For the six months ended 30 June 2008

	Issued share capital	Treasury shares	Other reserves	Share-holders' equity	Non-controlling interest	Total equity
1 January 2008	**964**	**(435)**	**42,392**	**42,921**	**-**	**42,921**
Exchange differences on translating foreign operations	-	-	27	27	-	27
Net income recognized directly in equity	-	-	27	27	-	27
Profit for the period	-	-	1,656	1,656		1,656
Total recognized income and expense for the period	-		1,683	1,683	-	1,683
Share-based payments	-	-	185	185	-	185
Repurchased shares	-	(3,016)	-	(3,016)	-	(3,016)
30 June 2008	**964**	**(3,451)**	**44,260**	**41,773**	**-**	**41,773**

For the six months ended 30 June 2009

1 January 2009	**964**	**(3,497)**	**45,586**	**43,053**	**-**	**43,053**
Exchange differences on translating foreign operations	-	-	(76)	(76)	-	(76)
Net income recognized directly in equity	-	-	(76)	(76)	-	(76)
Profit for the period	-	-	928	928		928
Total recognized income and expense for the period	-		852	852	-	852
Share-based payments	-	-	127	127	-	127
Dividend distributed	-	-	(462)	(462)	-	(462)
Repurchased shares	-	(106)	-	(106)	-	(106)
30 June 2009	**964**	**(3,603)**	**46,103**	**43,464**	**-**	**43,464**

Condensed consolidated statement of cash flows
in thousands of euro
For the six months ended 30 June

	2009	2008
Cash flows from operating activities		
Profit for the period	928	1,656
Adjustments for:		
Income tax expense	262	159
Finance costs	276	213
Finance income	(41)	(1,037)
Depreciation and amortization	1,051	478
Equity settled share-based payment transactions	127	69
	2,603	**1,538**
Organic movements in working capital		
(Increase)/decrease in (non)current trade and other receivables	185	(1,508)
(Increase)/decrease in inventories	(31)	(99)
(Increase)/decrease (non)current tax assets	408	(166)
Increase/(decrease) in (non)current liabilities	214	1,219
Increase/(decrease) in current tax liabilities	(16)	(210)
Net cash from operations	**3,363**	**774**
Interest (paid)/received	(72)	965
Income taxes (paid)/received	(705)	(215)
Net cash from operating activities	**2,586**	**1,524**
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,296)	(2,865)
Purchase of intangible assets	(164)	(78)
Disposals of non-current assets	81	-
Acquisitions spending	-	(20,130)
Net cash (used in)/generated by investing activities	**(2,379)**	**(23,073)**
Cash flows from financing activities		
Repurchase of own shares	(106)	(3,016)
Redemption of borrowings	(58)	-
Proceeds from borrowings	4,200	-
Net cash generated by/(used in) financing activities	**4,036**	**(3,016)**
Net increase/(decrease) in cash and cash equivalents	**4,243**	**(24,565)**
Cash and cash equivalents at the beginning of the period	4,697	39,465
Exchange differences	13	8
Cash and cash equivalents at the end of the period	**8,953**	**14,908**

Notes to the condensed consolidated interim financial statements
(in thousands of euro, unless indicated otherwise)

1. Company information

Cryo-Save Group N.V. (the "**Company**", or the "**Group**") is a limited company domiciled in The Netherlands. The address of its registered office and principal place of business is IJsselkade 8, 7201 HB Zutphen, The Netherlands.

2. Statement of compliance

The Group's condensed consolidated interim financial statements as at and for the six months ended 30 June 2009 were approved for publication by the Board of Directors on 14 September 2009.

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting. As permitted by IAS 34, these statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2008. In addition, the notes to the condensed consolidated financial statements are presented in a condensed format.

For further details on the principle accounting policies of the Company, we refer to our website, www.cryo-savegroup.com, Investor Relations.

3. Significant accounting policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended 31 December 2008.

New standards and interpretations
The first time application of the amendments and interpretations that became effective for the year ended 31 December 2009, as listed below did not result in substantial changes to the Group's accounting policies:

- Revised IAS 23 Borrowing costs (effective 1 January 2009);
- Revised IAS 1 Presentation of Financial Statements (effective 1 January 2009);
- IAS 27 (Revised) Consolidated and Separate Financial Statements (effective 1 January 2009);
- IFRS 2 (Amendment) Share-based payments (effective 1 January 2009).

The impact of the above standards changes on the Group's equity and result is not material.

IFRS 3 Business Combinations (Revised) (effective 1 July 2009)
This new standard will become mandatory for the Group's 2010 financial statements, if the standard is EU endorsed. The Group has not opted for earlier application. The following key changes within IFRS 3 Business Combinations (Revised) could have a significant impact:

- Contingent purchase considerations initially measured at fair value, whereby any re-measurement is recognized via the profit or loss; and
- Acquisition-related costs are to be expensed.

The Group opted for early application of IFRS 8 in the financial statements for the year ended 31 December 2008.

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2008.

5. Seasonality

The interim operations of the Company are not impacted by seasonal or cyclical purchase patterns.

6. Operating segments

Since the acquisition of Output Pharma Services GmbH ("**Output**") in January 2008, the Group identified two operating segments: the extraction and storage of adult human stem cells, and other types of products and services. The latter mainly consists of Output.

Information about reportable segments

for the six months ended 30 June	**Stem cell storage**		**Other**		**Total**	
	2009	2008	**2009**	2008	**2009**	2008
Revenue						
Segment revenue	**18,012**	11,338	**610**	897	**18,622**	12,235
Other segment information						
Finance income	**36**	1,037	**5**	0	**41**	1,037
Finance expense	**(276)**	(213)	**0**	0	**(276)**	(213)
Depreciation and amortization	**(1,041)**	(469)	**(10)**	(9)	**(1,051)**	(478)
Profit before taxation	**1,050**	1,706	**140**	109	**1,190**	1,815
Segment assets	**70,891**	66,179	**623**	587	**71,514**	66,766
Segment liabilities	**27,830**	24,637	**220**	356	**28,050**	24,993
Capital expenditure	**2,457**	2,932	**3**	11	**2,460**	2,943

Revenue from external customers attributed to the Company's country of domicile, The Netherlands, amounted to €0.2 million (1HY 2008: €0.2 million).

Revenue include €46,000 interest related to customer payment in instalments (1HY 2008: €30,000). Interest is charged against several interest rates applicable in the countries.

7. Revenue

for the six months ended 30 June	**2009**	2008
Stem cell extraction and storage	**18,012**	11,338
Other products and services	**610**	897
Total revenue	**18,622**	12,235

Revenue from stem cell extraction and storage also include the impact of the change of the discount rate on the net present value of deferred revenue amounting to €0.3 million additional revenue (1HY 2008: nil). The discount rate is consistently based on the 20 years AAA-rated euro area government bonds interest rate, which amounted 4.6% as at 30 June 2009 (31 December 2008: 4.0%), plus a liquidity premium of 1%.

8. Depreciation and amortization expenses

for the six months ended 30 June	**2009**	2008
Depreciation of property, plant and equipment	**424**	212
Amortization of identified intangibles assets	**608**	263
Amortization of other intangible assets	**19**	3
Total depreciation and amortization expenses	**1,051**	478

The increase of amortization expenses is due to the full year impact of amortization obtained through acquisitions, such as customer relationship, brand name and contracts.

9. Taxation

Income tax expense reported for the six month period ended 30 June 2009 is recognized based on management's best estimate of the weighted average annual effective income tax rate for the full financial year, applied to the pre-tax income of the interim period. The Group's applied consolidated effective tax rate for the six months ended 30 June 2009 was 22% (for the year ended 31 December 2008: 10%; for the six months ended 30 June 2008: 9%).

The increase to 22% is caused by the non-recurring impact of the estimated costs regarding the listing on Euronext (see below), which will be incurred in the second half of 2009 by the Dutch holding company, that does not capitalise its losses carried forward. Furthermore, the effective tax rate increased due to increased profits in countries with a relatively high tax rate, like Spain, compared to the historically low effective tax rate of the Group.

Estimates and judgement by management are required in determining the Group’s provisions for tax liabilities, amongst others corporate income tax and value added tax (VAT). The calculation of the tax liabilities is based in part on the interpretations of applicable tax laws in the jurisdictions in which the Group operates. Although the Group believes the tax estimates are reasonable, there is no assurance that the final determination of the tax liabilities will not be materially different from what is reflected in the statement of income and balance sheet. Should additional taxes be assessed these could have a material effect on the Group’s results of operation or financial condition.

10. Earnings per share

	30 June 2009	30 June 2008
Basic earnings per share (in euro cents)	**2.0**	3.5
Diluted earnings per share (in euro cents)	**2.0**	3.5

Basic earnings per share (EPS) are calculated by dividing profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Adjusted for the write-down of the receivables from its associate Cryo-Save Arabia, pro forma EPS would have been 3.7 euro cents.

The calculation of diluted earnings per share is based on the calculation of the basic earnings per share, adjusted to allow for the assumed conversion of all dilutive share options.

The average market value of ordinary shares during the first half of 2009 did not exceed the exercise price of the options (2007: 210 pence, 2008: 211 pence, and 2009: 55.8 pence respectively), hence the options had no dilutive effect.

Reconciliation between number of shares and weighted average number of shares:

	30 June 2009	30 June 2008
Issued ordinary shares at 1 January	**48,195,986**	48,195,986
Effect of share split	**-**	-
Shares held in treasury	**(1,788,472)**	(789,926)
Weighted average number of shares	**46,407,514**	47,406,060

Reconciliation between weighted average number of shares and diluted weighted average number of shares:

	30 June 2009	30 June 2008
Weighted average number of shares	**46,407,514**	47,406,060
Share options	**-**	-
Diluted weighted average number of shares	**46,407,514**	47,406,060
Profit attributable to ordinary equity holders of the Company	**928**	1,656

11. Net cash

	30 June 2009	31 December 2008
Cash and cash equivalents	**8,953**	4,697
Borrowings (current and non-current)	**(4,404)**	(149)
Net cash	**4,549**	4,548

The net cash position of €4.5 million (31 December 2008: €4.5 million) was positively impacted by the net cash from operating activities (€2.6 million), offset by the investment in property, plant and equipment (€2.3 million). Cash and cash equivalents increased to €9.0 million at 30 June 2009 from €4.7 million at 31 December 2008 due to the completion of the sale and lease back agreement with ING Lease Belgium N.V.

In March 2009 the Group entered into a sale and lease back agreement with ING Lease Belgium N.V. in relation to the Group's processing and storage facility in Niel, Belgium. Pursuant to the agreement, ING Lease Belgium N.V. purchased the facility and agreed to finance its construction for an amount of €4.3 million, resulting in a payment obligation of ING Lease Belgium N.V. to the Group of €4.3 million. Of this amount €4.2 million was received before 30 June 2009, whereas the remaining amount of €0.1 million was received in August 2009. The Group has leased the facility for a fixed period of 15 years. Lease instalments are paid quarterly in advance commencing on 1 September 2009, and are computed on an annuity basis. The interest is fixed for 15 years at 5.5%.

The first quarterly payment will be a down payment of €430,000 followed by quarterly payments of €92,000. The lease obligation is recognized as financial lease obligation (borrowings) and accounted for at a total amount of €4.3 million (€3.8 million non-current and €0.5 million current as per 30 June 2009). After the initial 15-years lease period the Group has the right to purchase the facility from ING Lease Belgium N.V. for 10% of the invested amount (€430,000).

12. Share options and treasury shares

Share options
At 23 April 2009, the Company has granted 335,000 ordinary shares to staff of the Company, at an exercise price of 55.8 pence per share.

The fair market value of each conditionally awarded share was 37.2 pence, as determined by an outside consulting firm. The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial model.

Treasury shares
To cover the dilutive effect of the granted share options in 2007, 2008 and 2009 under the 2007 Share Option Scheme to staff and to fund acquisitions, the Group started a share buyback programme in 2007. During the first half year of 2009 the Company acquired 250,000 own shares in treasury, resulting in 2,020,000 own shares held in treasury at 30 June 2009. Treasury shares are recorded at cost, representing the market price on the acquisition date.

13. Events after the reporting period

Distribution agreement signed with leading Iberian medical services provider extends reach in Spain and Portugal

On 2 July 2009, the Group signed an exclusive distribution agreement for the Iberian market with the Spanish subsidiary of Labco, a leading pan European medical diagnostic labs network. As a result of this agreement, the Group will further strengthen its leadership position in Spain and have an additional channel to market in Portugal.

In Spain and Portugal, the laboratories of Labco will be used as a point of contact and sale for the Group's potential customers. Labco, with around 1,000 laboratories in Spain and Portugal, will train medical staff to collect the cord blood and on the Group's logistics procedures.

Cryo-Save will pay a fee for the samples successfully stored. The first samples collected via the Labco laboratories are expected to be received in October 2009.

Acquisition

On 10 July 2009, Cryo-Save acquired Salus Futura Ltd, United Kingdom, which holds all shares of Salus Futura Srl, Italy ("**Salus Futura**"), for an initial consideration of €0.4 million payable in cash and a deferred performance related payment, payable annually on the achievement of certain goals until 31 May 2012. The Group expects the acquisition to be earnings enhancing on completion.

Salus Futura, established in 2007, is an Italian stem cell storage marketing and distribution company. Processing and storage will be performed by Cryo-Save. Salus Futura concentrates primarily on customer acquisition through diagnostic centres and private clinics. All of Salus Futura's business comes from Italy. In the first quarter of 2009, the number of samples stored increased by 280% over the same period last year, and was 13% up on the fourth quarter of 2008.

Following completion, key staff of Salus Futura will remain with the Group, allowing us to utilise its experience to further roll out this successful model in Italy. The Salus Futura organisation will be integrated in Cryo-Save's Italian organisation.

In the year to 31 December 2008 Salus Futura reported aggregated revenue of €0.5 million and a start up loss of €0.1 million.

Dividend

Following the resolution on 20 May 2009, the Company paid a maiden dividend of € 462,000 (€0.01 per share) for the year ended 31 December 2008 after the reporting period.

Share buy back

In August, after the reporting date, the Company purchased 100,000 ordinary shares of €0.02 in total for an average price of 52.5 pence per share, to be held in treasury. Following the purchase of these shares, the Company holds 2,120,000 of its own ordinary shares in treasury, representing approximately 4.40% of the Company's issued share capital, and has 46,075,986 ordinary shares in issue (excluding treasury shares).

Review Report on the Condensed Consolidated Interim Financial Statements as at and for the Six Months ended 30 June 2009

To: the Board of Directors of Cryo-Save Group N.V.

Review report

Introduction

We have reviewed the condensed consolidated interim financial statements for the six month period ended 30 June 2009 of Cryo-Save Group N.V., Zutphen, as set out on page F-2 through F-11, which comprises the condensed consolidated statement of financial position as at 30 June 2009, the condensed consolidated statement of income, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the six months then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

The condensed consolidated interim financial statements for the six months ended 30 June 2008 have not been reviewed. Therefore, the amounts included for comparative purposes in the condensed consolidated statement of income, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the six months ended 30 June 2008 and the selected explanatory notes have not been reviewed.

Scope of review

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Arnhem, 14 September 2009

KPMG ACCOUNTANTS N.V.

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