



°cryosite

CRYOSITE LIMITED

INVESTOR PRESENTATION 2 MARCH 2005

GORDON MILLIKEN Managing Director

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CRYOSITE LIMITED

Good afternoon and welcome to this presentation of Cryosite's half-year results.

My name is Gordon Milliken. I am one of the founders of Cryosite and the Managing Director.

What I would like to do this afternoon is:

Firstly I will take you through the history of the company and describe our range of services:

Then I will discuss the highlights of the half-year results, and then I will bring you up to date on where we see the company going in the next few years.

COMPANY HISTORY

Registered	December 1999
Raised seed capital (\$3m)	April 2000
Listed on the ASX	May 2002
Amount Raised	\$3.4m
Rights Issue May 2004	\$1.4m
Cash at 31 December 2004	\$1.588m
Shares on issue	45,000,000
Current Market Cap	\$12 million

Board of Directors

- ❖ Richard Grellman, FCA - Chairman
- ❖ Prof. Ron Penny AO, DSc, MD, FRACP, FRCPA
- ❖ Theo Onisforou, L.L.B
- ❖ Dr Peter French, BSc, MSc, PhD, MBA
- ❖ Gordon Milliken, Dip. Med. Tech. Grad. Dip. Ops. Mgt – MD

HIGHLIGHTS

- ❖ Revenue increased by 24.5% to \$1,382,334
- ❖ Loss decreased by 23.2% to \$368,363
- ❖ Positive Cash Flow from Operating Activities in December Quarter
- ❖ Clinical Trial Logistics capacity expanded
- ❖ Growing client list
- ❖ Record cord blood customers and annuity income

What does Cryosite do?

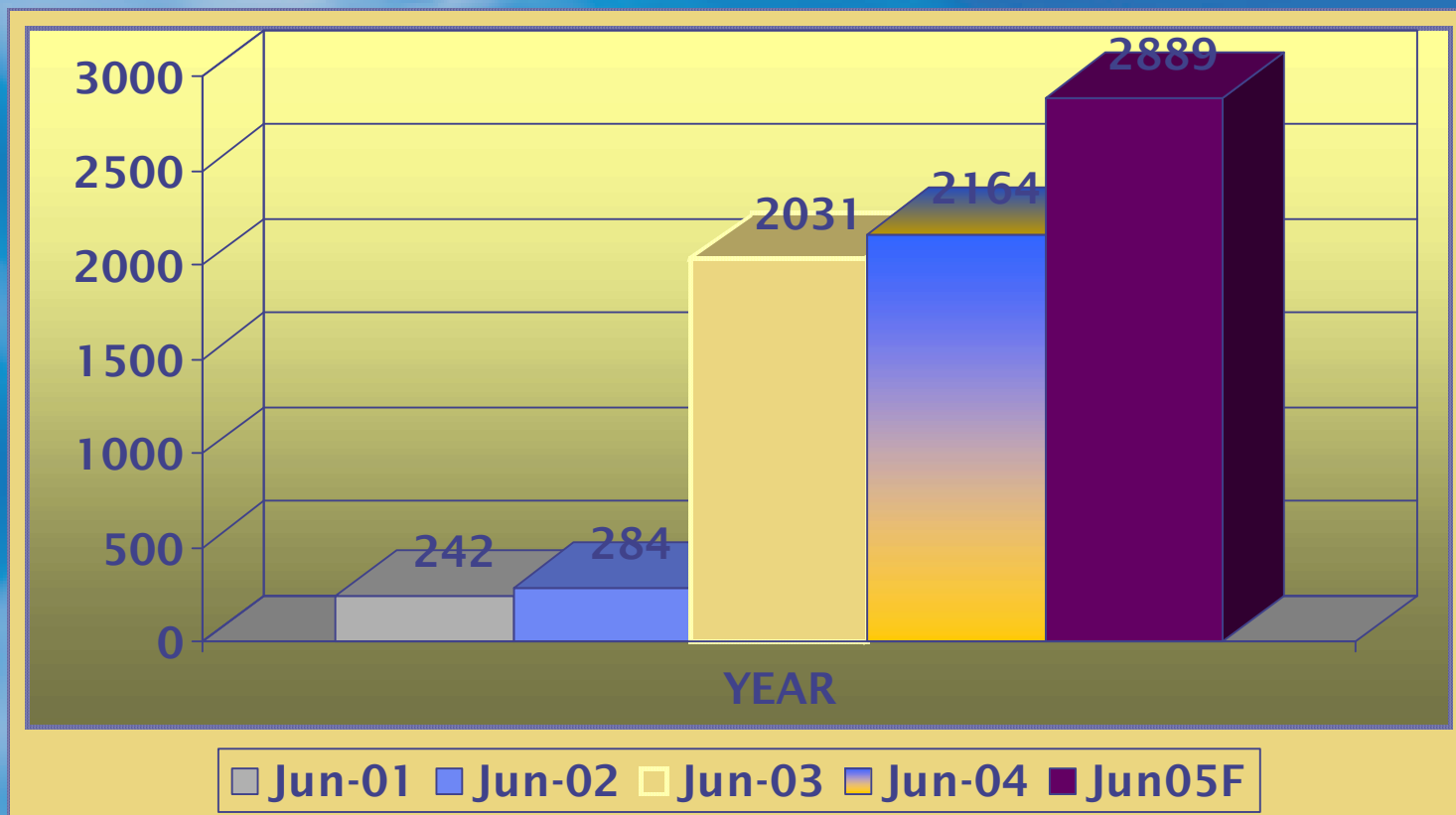
A Biotechnology and Life Science service company that is leveraged to the growth of the research, healthcare and associated markets

- ❖ Cord Blood Service
- ❖ Clinical trials Logistics
- ❖ Archival Storage and Inventory & Data Mgt
- ❖ Distribution

KEY ASSETS

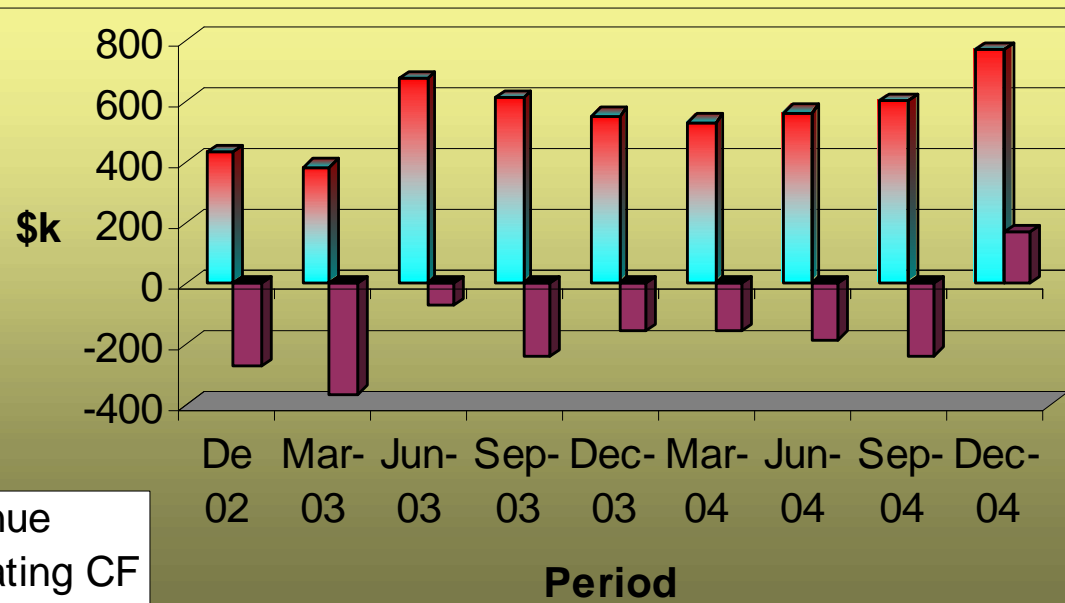
- ❖ TGA Licence
- ❖ Established brand identity across all service areas
- ❖ Large client list
 - Over 400 obstetricians
 - Over 300 ATCC clients
 - Large Pharma companies
 - Research Institutions
- ❖ IP
 - Cryobyte
 - Quality Management System
 - Operational know-how

REVENUE HISTORY (\$k)



QUARTERLY PERFORMANCE

Quarterly Summary



CORD BLOOD –OVERVIEW

- ❖ Involves the collection, processing & storage of umbilical cord blood stem cells for autologous use:
 - TGA approval December 2001
 - Marketing plan in operation March 2001
 - High level of customer interest commenced April 2001
 - B to C marketing approach needed

- ❖ KEY SUCCESS FACTORS
 - Ability to communicate the benefits of cord blood storage:
 - Likelihood of use in childhood
 - Potential future use in cell therapy or more “Blue sky” tissue engineering applications
 - Neutralise negative influences:
 - Public cord blood bank
 - Some influential obstetricians
 - Obtain TGA licence
 - Set-up bullet-proof operations systems – zero failure objective

CURRENT STATUS

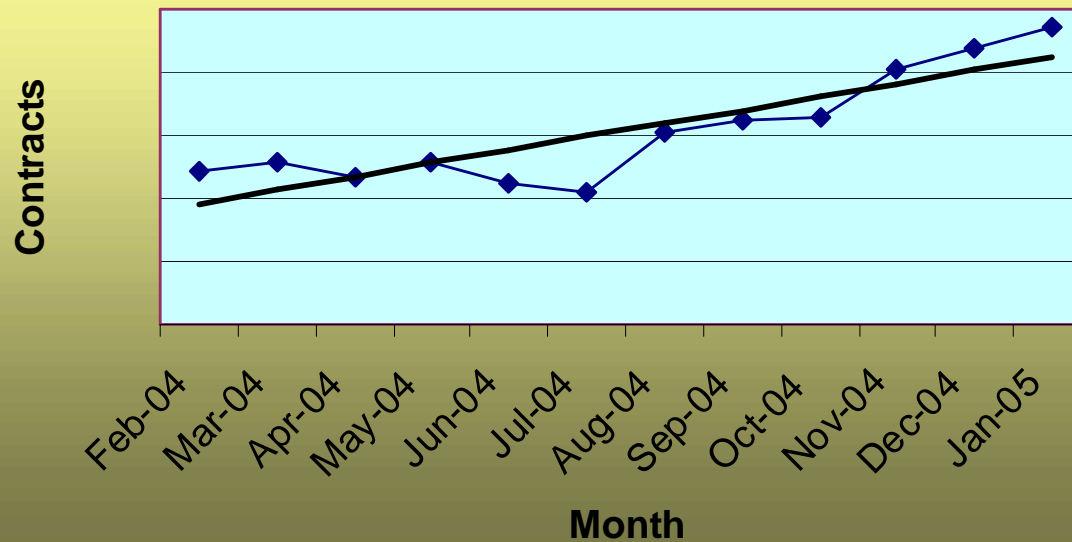
- ❖ Australia's only Therapeutic Goods Administration (TGA) licensed private cord blood service
- ❖ Over 400 obstetricians have collected blood
- ❖ Over 200 hospitals have facilitated collections
- ❖ Application to TGA to extend licence conditions to allow use of stored blood by other family members
- ❖ Two competitors - not TGA licensed

Why is CB a good business ?

- ❖ Dual income streams:
 - Up-front income \$2,000
 - Annuity stream \$150 per year for minimum of 18-years
- ❖ Well defined and stable customer base:
- ❖ Consistent birth rate ~ 250,000 pa – of these 60,000 are private
- ❖ Stable level of health insurance
 - Private obstetrician
 - Private hospital
- ❖ Positions us to take advantage of developments in successful adult stem cell based Cell Therapy research

CB CONTRACTS TREND

CORD BLOOD CONTRACT
Feb 2004 to Jan 2005



USA MARKET

- ❖ Estimated to be ~20 private cord blood storage companies
- ❖ Viacord listed Jan 2005 – market cap >US\$70m
- ❖ Cryo-Cell
 - o >75,000 cords stored
 - o Revenue 2004 – US\$12.2 (+63%)

Clinical Trials Logistics

SERVICES:

- ❖ **Controlled-temperature storage of investigational drugs, associated materials and documentation**
 - Controlled-ambient (<25°C & <60% humidity)
 - Refrigerated (2°C to 8°C)
- ❖ **Pick, pack and dispatch**
 - Intrastate, interstate, international
 - DG's and non-DGs
- ❖ **Extension date relabelling of drugs**
- ❖ **Inventory Management - Clinbyte**

Why is CT A GOOD BUSINESS ?

- ❖ Over 600 concurrent trials in Australia
- ❖ ~42% of drug development expenditures outsourced compared to ~4% early 1990s
- ❖ World Pharmaceutical outsourcing market ~US\$12-15 billion, ~US\$26-28 by 2008
- ❖ Drug development times shortened by~33% through effective outsourcing strategies
- ❖ Australia increasingly a popular place to conduct trials
 - ❖ Estimated to be 35% cheaper than US/Europe

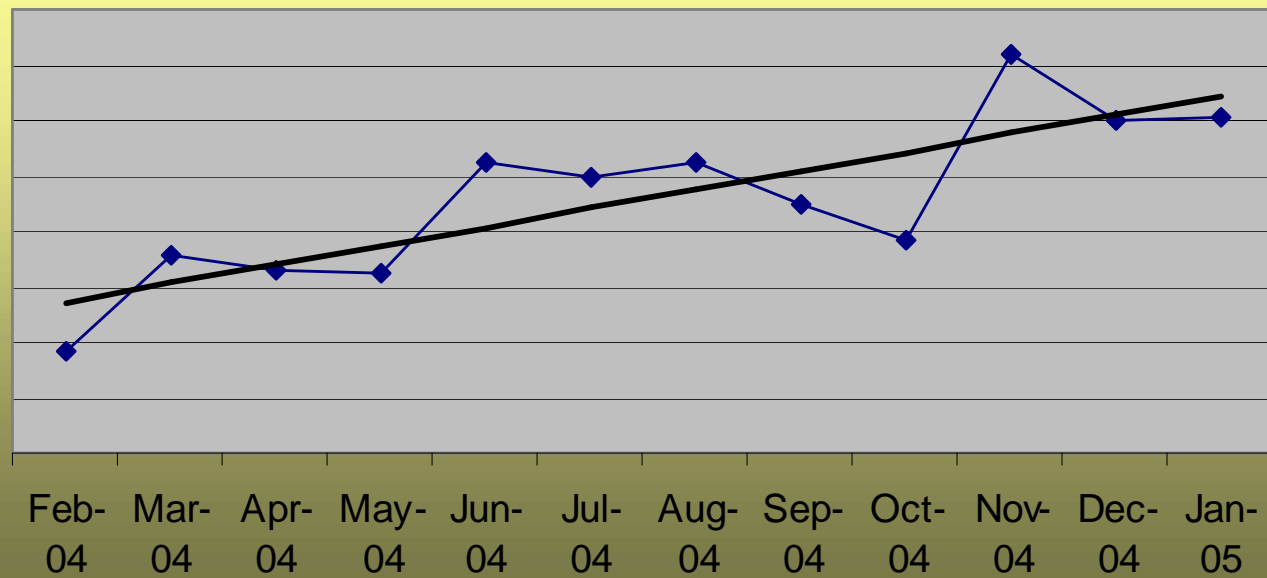
CLINICAL TRIAL MARKETING

❖ Why Cryosite?

- Provide very customised service
- Located near many clients in Biotech hub
- Utilise common infrastructure and Quality Management System
- Strong industry links
- Many big names – Pfizer & Bristol Myers Squibb. Others include, Boehringer Ingleheim, Novotech, Omnicare, Kendle, Trident.

CT REVENUE TREND

Feb 2004 to Jan 2005



DISTRIBUTION - ATCC

- ❖ ATCC - established 1925
 - ❖ New Agreement valid until 2009
 - ❖ Worlds largest collection of biological material
 - ❖ Over 300 existing ATCC clients
 - ❖ All indent – no stock costs
 - ❖ Consistent profits from order consolidation and shipping
 - ❖ High margins
 - ❖ Cross-marketing with archival storage

ARCHIVAL STORAGE

- ❖ Secure, off-site ultra-low & cryogenic storage of biological materials
- ❖ Internet based inventory & information system
- ❖ Samples stored include: serum, blood, tissue biopsies, DNA, cell-lines,
- ❖ Clients include, Proteome Systems, St. Vincent's, Pi2, St. George Hospital, POW Hospital, Fucell
- ❖ GMP Storage
 - Clients include, Mayne Pharma, Ludwig Institute, ANU
 - High value, long-term storage under GMP conditions

CRYOBYTE

- ❖ Web-based Sample Inventory & Management System
- ❖ Allows users to define storage profiles
- ❖ Secure 128-bit encryption
- ❖ Patent application in process
- ❖ Key component of integrated physical storage & data management
- ❖ Key component of all business units
- ❖ Interest from cryogenic equipment manufacturers

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WHERE TO NOW?

- ❖ Develop more capacity to service the Clinical Trials
Logistics growth
- ❖ Obtain extension of cord blood licence
- ❖ Expand the Distribution business – diagnostic reagents & commercial drugs
- ❖ JV's and alliances that use our IP as collateral in Australia and Overseas
- ❖ More benefits through integration and cross-marketing of services, such as sample handing + storage + data management