

ASX & MEDIA ANNOUNCEMENT 17 JANUARY 2005

CRYOSITE ACHIEVES POSITIVE CASH FLOW FROM OPERATING ACTIVITIES

Cryosite Limited, has become cash flow positive before capital expenditure with income of \$770, 000 for the quarter ending 31 December 2004.

This represents a 28 per cent improvement from the previous quarter of \$601,000 and a 39 per cent increase from \$555,000, for the period ending 31 December 2003.

Net operating cash flow for the period was \$170,000 compared with negative cash flows of \$240,000 for the September quarter of 2004 and \$156,000 for the quarter ending 31 December 2003.

The result was achieved despite relatively high capital expenditure of \$179,000 for the fourth quarter of 2004, on additional cryogenic storage equipment for cord blood samples and construction of new controlled environment rooms to service the expanding number of clinical trial logistics customers.

Cryosite experienced growth in its services business comprising:

- Australia's only Therapeutic Goods Administration (TGA) licensed private cord blood stem cell storage service;
- clinical trial logistics;
- distribution of temperature critical biological and biomedical reagents; and
- archival storage of biological material for medical and scientific purposes.

Cryosite managing director Mr Gordon Milliken said a pleasing aspect of the result for the company was that net cash reserves of \$1.59 million were eroded by just \$3,000, for the December quarter, despite the ongoing and significant capital investment.

"We have been able to achieve these results because of encouraging growth in customers for cord blood storage and significant expansion of our clinical trial logistics unit which now ranges from small biotechnology companies to top 10 international pharmaceutical businesses" Mr Milliken said.

"Growth of the cord blood storage business especially, reflects the fact that prospective customers and their medical consultants recognise the advantages of entrusting their child's cord blood to Australia's only TGA licensed private storage service," Mr Milliken said.

Cryosite is implementing a business strategy with the objective of collecting cord blood from one per cent of all child births in Australia and is expecting an imminent agreement to sign up a new international customer for its clinical trial logistics business.

During the December quarter Cryosite also renewed its agreement with the American Type Culture Collection (ATCC).

This gives Cryosite a further five years exclusive distribution rights for the ATCC products for Australia and New Zealand.

The archival storage service also performed above expectations and is currently the focus of more intense marketing to grow its customer and revenue base.

Cryosite was established in 2000, to provide an outsourced cryogenic storage service and was listed on the ASX in 2002.

ISSUED FOR : CRYOSITE LIMITED

**FOR FURTHER INFORMATION: MR GORDON MILLIKEN, MANAGING DIRECTOR
CRYOSITE LIMITED, TEL: 02 9420 1412**

ISSUED BY WESTBROOK COMMUNICATIONS

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This release can be downloaded from www.westbrookfin.com.au

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Cryosite Limited

ABN

86 090 919 476

Quarter ended ("current quarter")

31 December 2004

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (6 Months) \$A'000
1.1 Receipts from customers	770	1,371
1.2 Payments for		
(a) staff costs	(226)	(429)
(b) advertising and marketing	(39)	(96)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(360)	(968)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28	57
1.5 Interest and other costs of finance paid	(3)	(5)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	170	(70)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

		Current quarter \$A'000	Year to date (6 months) \$A'000
1.8	Net operating cash flows (carried forward)	170	(70)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(173)	(345)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(173)	(345)
1.14	Total operating and investing cash flows	(3)	(415)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	(73)
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	-	(73)
	Net increase (decrease) in cash held	(3)	(488)
1.21	Cash at beginning of quarter/year to date	1,591	2,076
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	1,588	1,588

+ See chapter 19 for defined terms.

30/9/2001

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	59
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	132	86
4.2 Deposits at call	1,456	1,505
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,588	1,591

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Philip A Alger..... Date: 17 January 2005.....
 (Financial Controller)

Print name: Philip A Alger

+ See chapter 19 for defined terms.