

MEDIA RELEASE

30 JULY 2003

CONCISE FINANCIAL RESULTS

HIGHLIGHTS FOR THE PERIOD

- Gross sales were \$1,950,000 a fourfold increase over the corresponding period last year
- The loss for Q4 decreased to \$190,000, from an average of \$335,000 for the previous three quarters
- Cash reserves of \$1,650,000
- Significant developments in establishing the clinical trials logistics business
- Continued growth in the American Type Culture Collection distribution work
- Increasing number of obstetricians and hospitals collecting cord blood
- Steady progress in the archival storage area

COMMENTARY ON RESULTS

Cord Blood Service

Cryosite remains the only company in Australia to have Therapeutic Goods Administration to operate a private service for the collection, processing and storage of umbilical cord blood for autologous use.

Over 300 obstetricians from 140 hospitals throughout Australia have collected cord blood.

Now that the service has been operating for over 12 months, annuity income from annual storage renewals is beginning to make a valuable contribution to income, and will escalate significantly over time.

A variety of marketing material and media has been used to promote public awareness of the service, and we continue to explore the most effective marketing methods to reach our potential customers.

Distribution Services and Archival Storage

The company is continuing to diversify its range of services through the establishment of a clinical trials logistics service to add to the exclusive agreement to supply the products of the American Type Culture Collection (ATCC) to research and biotechnology customers in Australia and New Zealand.

The company's strategy is to utilise its existing staff, systems and facilities to provide a range of value-added logistics services to pharmaceutical companies and Contract Research Organisations engaged in conducting clinical trials in Australia and New Zealand. A number of well known companies have taken up this service,

including Boehringer Ingelheim, ICON Clinical Research, CRL Medinet, Aventis and Trident Clinical Research.

The patent application for the company's software application, Cryobite, is progressing and has reached national registration phase.

The agreement with the ATCC is continuing to prove extremely valuable with the number of clients in Australia and New Zealand exceeding 350.

The archival storage service is making steady progress with an increasing number of well known customers including Johnson & Johnson Research, Mayne Pharma, St. Vincent's Hospital Centre for Immunology, Agen Biomedical, Proteome Systems, Ludwig Institute and Monash University.

Cryosite's managing director, Mr Gordon Milliken, said the strategy of the company was to build on the company's unique infrastructure and skill set to expand its services and client base with minimal costs.

"The expansion of the clinical trials logistics business was an example of the manner in which this could be achieved," Mr Milliken said.

Cryosite's board comprises Richard Grellman (chairman, a former partner of KPMG and current AMP director) Theo Onisforou, Professor Ron Penny (Emeritus Professor, University of NSW), Dr Peter French (CEO of listed VRI Biomedical) and Gordon Milliken (Managing Director).

ISSUED FOR : **CRYOSITE LIMITED**
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