

## Appendix 4E

### Preliminary Final Report

#### 1. Company details

Name of entity

**Cordlife Ltd**

ABN

**48 108 051 529**

Financial year ended

**30 June 2009**

The previous corresponding period refers to the comparative amounts for the year ended 30 June 2008.

All values contained in this report have been rounded to the nearest thousand Australian dollars unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100.

#### 2. Results for announcement to the market

			\$'000
<b>2.1</b>	<b>Total revenue</b>	<b>: up 60%</b>	<b>to 23,686</b>
<b>2.2</b>	<b>Net profit for the year attributable to members</b>	<b>: up 1,731%</b>	<b>to 4,224</b>
<b>2.3</b>	<b>Dividends</b>	<b>: Nil</b>	
<b>2.4</b>	<b>Record date for determining entitlements to the final dividend</b>	<b>: Not applicable</b>	

#### 2.5 Commentary on operations and results

The Cordlife Ltd Group (the “Group”) continued to grow significantly in its core business of cord blood banking in the year ended 30 June 2009. The group’s operations in both Singapore and Hong Kong were profitable, helping to increase the Group’s FY09 net profit to \$4,494,000 , as compared to FY 08 loss of \$125,000.

Earnings before interest, taxes, depreciation and amortisation (“EBITDA”) is approximately \$5,470,000 compared to \$536,000 in FY08. The Group has made a provision for income tax of \$1,056,000, which resulted in an overall group profit from operations of \$4,224,000.

Revenue from cord blood banking services was \$22,949,000 as compared to \$14,078,000, an increase of approximately 63%. This substantial growth took place predominantly across Cordlife’s smaller markets of Singapore and Hong Kong. Concurrently, the Group committed to several substantial marketing and promotional activities in India and Indonesia during the financial year. The continual marketing and promotional financial commitments are necessary to provide a springboard for the future growth of the Group in the long term.

Other income consisted of a gain on dilution of our interest in Biocell Pty Ltd, a subsidiary of Cordlife Ltd prior to its merger, amounting to \$1,416,000. Details of the transaction are set out in Note 14.4.

Distribution and marketing expenses were \$4,287,000 as compared to \$2,602,000 in FY08. This increase is mainly due to the increase in advertising and promotional activities carried out in FY09. The additional promotional activities had been planned and comprised of additional financial commitments to increase existing market share as well as laying the appropriate marketing infrastructure in the new markets.

Administrative costs were higher in the current year as compared to the previous year due to expansion and growth of the cord blood banking business regionally, which resulted in higher staff costs. There were additional headcounts, annual wage supplements and increments in salaries resulting from good performance and promotions of employees during the financial year.

The Group views the continual investment in its people, financial commitments to building its branding across all regions and an unwavering pursuit of product innovation/ differentiation as key platforms for sustainable growth.

### **Cord blood banking business**

The cord blood banking business grew substantially during the year, with revenue from services rendered increasing by 63% over the previous year. The number of clients signed-up during the year increased by over 30% compared to the previous year. As at 30 June 2009, total client numbers exceeded 21,000 and the Company expects this level of growth to continue in the following financial year.

#### **Singapore:**

The Singapore facility is the first and still the only AABB accredited cord blood bank in South-east Asia. Cordlife's Singapore operations were profitable for the entire financial year predominantly due to an increase in the number of new client sign-ups, delivery and storage of cord blood. The company remains the market leader in Singapore. The additional sign ups were the result of more effective market positioning, local branding as well as product innovation.

#### **Hong Kong:**

Cordlife's Hong Kong operations grew by 75% over the previous year in terms of new clients signed-up. The Company continued to invest in marketing activities in Hong Kong in an effort to grow its market size. Advertising and promotion costs as well as costs associated with the ISO audit contributed to the higher costs of the company but also led to more client sign-ups and hence, increased revenue in the financial year.

#### **Indonesia:**

Cordlife's Indonesia operations grew by 32% over the previous year in terms of new clients signed-up. Cordlife's Jakarta facility is the only approved facility by the Indonesian Department of Health ("DEPKES") to offer umbilical cord blood banking services in the country. Hence, it is the only licensed private cord blood bank in Indonesia today. The Company expects its Indonesian market to grow further in the financial year 2010, with continual and growing efforts to consolidate the market space in Jakarta. In addition, there are also plans to further expand into the regional metropolitan cities of the country. Cordlife continues to offer options to clients in Indonesia to either store locally in Jakarta or in Singapore.

**India:**

The Group's India operations were in place for the full financial year in FY09. It is expected that client numbers and revenues will be boosted further when Cordlife India grows progressively. The Company currently has a license to operate a full umbilical cord blood processing and storage facility in Kolkata and throughout India, after attaining relevant regulatory approvals from both the State and Central Health Authorities in FY08. Cordlife India is still in its infancy today but promises to be a key market for the Group in the coming years.

**Australia:**

During the year, the Group's interest in its 57% owned Australian subsidiary, Biocell Pty Ltd was diluted as a result of its merger with CellSense Pty Ltd. Cordlife Ltd now owns 28.4% of Biocell. Biocell was subsequently renamed Australian Stem Cell Healthcare Pty Ltd and is now the largest private cord blood bank in Australia. Details of the transaction are set out in Note 14.4.

**Other Regions:**

The Company incurred costs on promotion of its services in Thailand and the Philippines, where it operates through sales offices.

### 3. Consolidated Income Statement

	Note	Year ended 30.06.2009 \$'000	Year ended 30.06.2008 \$'000
Revenue	3.1(a)	23,686	14,808
Cost of sales		(6,516)	(4,761)
<b>Gross profit</b>		<b>17,170</b>	<b>10,047</b>
Other income			
- Sundry income	3.1(b)	29	71
- Gain on loss of control of subsidiary	3.1(b)	1,416	-
Distribution and marketing expenses		(4,287)	(2,602)
Share of results of associates		(8)	(110)
Administration expenses		(8,746)	(6,688)
Borrowing costs		(24)	(17)
<b>Profit before income tax</b>	3.2	<b>5,550</b>	<b>701</b>
Income tax expense		(1,056)	(826)
<b>Profit/ (loss) after income tax</b>		<b>4,494</b>	<b>(125)</b>
Net profit attributable to minority interests		(270)	(134)
<b>Net profit/ (loss) for the year attributable to members</b>		<b>4,224</b>	<b>(259)</b>

#### **Earnings per share for profits/ (losses) attributable to the ordinary share equity holders of the company:**

Basic EPS (cents per share)	14.2	4.57	(0.3)
Diluted EPS (cents per share)	14.2	4.49	(0.3)

	Year ended 30.06.2009 \$'000	Year ended 30.06.2008 \$'000
<b>3.1 Revenue</b>		
<b>(a) Revenue</b>		
Revenue from the rendering of services	22,949	14,078
	<b>22,949</b>	<b>14,078</b>
<b>Other revenue</b>		
Interest income	185	410
Trade receivable discount adjustments	552	320
	<b>737</b>	<b>730</b>
<b>Total revenue</b>	<b>23,686</b>	<b>14,808</b>
<b>(b) Other income</b>		
Grants	-	61
Gain on loss of control of subsidiary (note 14.4)	1,416	-
Sundry income	29	10
	<b>1,445</b>	<b>71</b>
<b>Total revenue and other income</b>	<b>25,131</b>	<b>14,879</b>

### 3.2 Profit before income tax

Profit before income tax includes the following items of expense:

Depreciation of property, plant and equipment	595	524
Amortisation of intangible assets:		
Software	38	25
Operating lease expenses – rental expenses	525	451
Staff costs:		
Share based payments expense	342	854
Other staff costs	6,586	4,570
	<b>6,928</b>	<b>5,424</b>
Other expenses:		
Legal and professional fees	148	100
Business travel	846	776
Consultancy	319	327
Advertising and promotion	1,608	673
Impairment loss on investment in associates	122	-
Impairment loss on available-for-sale investment	231	-

**Appendix 4E**  
**Preliminary Final Report**

**4. Consolidated Balance Sheet**

	Note	30.06.2009 \$'000	30.06.2008 \$'000
<b>Current assets</b>			
Cash and cash equivalents		7,978	8,364
Trade and other receivables	4.1	8,780	3,690
Amount due from associate company		492	45
Inventories		281	132
Other financial assets		2,371	-
<b>Total current assets</b>		<b>19,902</b>	<b>12,231</b>
<b>Non-current assets</b>			
Property, plant and equipment		1,155	1,241
Investment in associates		-	231
Trade receivables	4.1	15,433	11,253
Intangible assets and goodwill	4.2	27,545	27,803
Deferred tax asset		8	-
<b>Total non-current assets</b>		<b>44,141</b>	<b>40,528</b>
<b>Total assets</b>		<b>64,043</b>	<b>52,759</b>
<b>Current liabilities</b>			
Trade and other payables	4.3	2,541	2,084
Deferred revenue		2,928	486
Income tax payable		1,871	1,500
Interest bearing borrowings		919	-
Finance lease liability		11	11
<b>Total current liabilities</b>		<b>8,270</b>	<b>4,081</b>
<b>Non-current liabilities</b>			
Deferred revenue		2,238	1,689
Finance lease liability		-	9
Deferred tax liability		-	20
<b>Total non-current liabilities</b>		<b>2,238</b>	<b>1,718</b>
<b>Total liabilities</b>		<b>10,508</b>	<b>5,799</b>
<b>Net assets</b>		<b>53,535</b>	<b>46,960</b>
<b>Equity</b>			
Contributed equity	4.4	76,357	76,361
Currency translation reserve		21	(1,640)
Employee equity benefits reserve		1,773	1,431
Accumulated losses	10	(25,733)	(29,957)
<b>Attributable to equity holders of the parent</b>		<b>52,418</b>	<b>46,195</b>
Minority interests	4.5	1,117	765
<b>Total equity</b>		<b>53,535</b>	<b>46,960</b>

	<b>30.06.2009</b> <b>\$'000</b>	<b>30.06.2008</b> <b>\$'000</b>
<b>4.1 Trade and other receivables</b>		
Trade receivables	8,087	3,229
Goods and services tax recoverable	139	104
Interest and other receivables	554	357
	<b>8,780</b>	<b>3,690</b>
Non-current trade receivables	<b>15,433</b>	<b>11,253</b>
<b>Total trade and other receivables</b>	<b>24,213</b>	<b>14,943</b>
<b>4.2 Intangible assets and goodwill</b>		
Goodwill	27,500	27,743
Software	45	60
	<b>27,545</b>	<b>27,803</b>
<b>4.3 Trade and other payables</b>		
Trade payables	493	689
Goods and services tax payable	242	156
Accrued wages and salaries	185	142
Accrued annual leave entitlements	288	351
Other accruals and non-trade payables	1,333	746
	<b>2,541</b>	<b>2,084</b>
<b>4.4 Contributed equity</b>		
Balance at beginning of financial year		
- 91,103,344 (2008: 78,200,000) fully paid ordinary shares	76,361	68,412
Issue of shares during the year		
- 1,516,670 (2008: 12,903,344) fully paid ordinary shares	-	7,976
- Transaction costs related to issue of shares	(4)	(27)
	<b>76,357</b>	<b>76,361</b>

During the year, the Company issued 1,516,670 ordinary shares at the exercise price of \$0.00 per share upon the exercise of 1,516,670 share options by employees pursuant to the Options and Performance Rights Plan ( see 14.3).

**4.5 Minority interests**

Minority interests represent the interests in Cordlife ( Hong Kong) Ltd, Cordlife Sciences (India) Pvt Ltd and PT Cordlife Indonesia not held by the Group.

**Appendix 4E**  
**Preliminary Final Report**

**5. Consolidated Cash Flow Statement**

	Note	Year ended 30.06.2009 \$'000	Year ended 30.06.2008 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		20,236	10,213
Payments to suppliers and employees		(18,997)	(13,819)
Interest received		175	737
Interest and other costs of finance paid		(28)	(7)
Income taxes paid		(746)	-
<b>Net cash from/ (used) in operating activities</b>	5.1(a)	<b>640</b>	<b>(2,876)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(353)	(885)
Net cash disposed of from loss of control of subsidiary		(176)	-
Transfer to term deposits		(2,371)	-
<b>Net cash used in investing activities</b>		<b>(2,900)</b>	<b>(885)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares in a subsidiary to minority shareholders		11	118
Payment for transaction costs on issue of shares		-	(27)
Proceeds from issue of shares		-	7,976
<b>Net cash generated from financing activities</b>		<b>11</b>	<b>8,067</b>
<b>Net (decrease)/ increase in cash and cash equivalents held</b>		<b>(2,249)</b>	<b>4,306</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>		<b>8,364</b>	<b>4,420</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies		944	(362)
<b>Cash and cash equivalents at the end of the financial period</b>	5.1(b)	<b>7,059</b>	<b>8,364</b>



**5.1 Notes to the statement of cash flows (cont'd)**

*(a) Reconciliation of net profit/ (loss) after tax to net cash flows from operating activities*

	Year ended 30.06.2009 \$'000	Year ended 30.06.2008 \$'000
Net profit/ (loss) for the year	4,494	(125)
Depreciation and amortisation of non-current assets	633	549
Share of loss of associates	8	110
Income tax expense	1,056	826
Write-off of goodwill	243	-
Impairment loss on investment in associates	122	-
Impairment loss on available-for-sale investment	231	-
Share based payments expense	342	854
Exchange differences	(64)	(496)
Changes in assets and liabilities:		
Increase in assets:		
Receivables	(9,717)	(5,320)
Inventories	(149)	(82)
Decrease in liabilities:		
Payables	3,441	808
Net cash from/ (used in) operating activities	<b>640</b>	<b>(2,876)</b>

**5.1 Notes to the statement of cash flows**

*(b) Reconciliation of cash*

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at bank and in hand  
 Term deposits with banks  
 Bank overdraft

	Year ended 30.06.2009 \$'000	Year ended 30.06.2008 \$'000
	6,609	2,744
	1,369	5,620
	(919)	-
	<b>7,059</b>	<b>8,364</b>

**5.2 Non-cash financing and investing activities**

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

None

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

During the year, Strassenburg Pharmaceuticals Limited invested A\$ 11,000 in equity shares of Cordlife Sciences (India) Pvt Ltd. Cordlife Sciences (India) is incorporated in India and is a 85% owned controlled entity of Cordlife Limited.

## 6. Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent				Minority	Total
	Contributed equity \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Employee equity benefits reserve \$'000	Interests \$'000	Equity \$'000
<b>At 1 July 2007</b>	<b>68,412</b>	<b>(1,170)</b>	<b>(29,698)</b>	<b>577</b>	<b>591</b>	<b>38,712</b>
Currency translation differences	-	(470)	-	-	(84)	(554)
Net income and expense recognised directly in equity	-	(470)	-	-	(84)	(554)
Net loss for the year	-	-	(259)	-	134	(125)
Total recognised income and expense for the year	-	(470)	(259)	-	50	(679)
Issuance of shares	7,976	-	-	-	-	7,976
Transaction costs on issue of shares	(27)	-	-	-	-	(27)
Share-based payments	-	-	-	854	-	854
Share of equity	-	-	-	-	124	124
<b>At 30 June 2008</b>	<b>76,361</b>	<b>(1,640)</b>	<b>(29,957)</b>	<b>1,431</b>	<b>765</b>	<b>46,960</b>

**Appendix 4E**  
**Preliminary Final Report**

	Attributable to equity holders of the parent					Minority Interests	Total Equity
	Contributed equity \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Employee equity benefits reserve \$'000	Total \$'000	\$'000	\$'000
<b>At 1 July 2008</b>	<b>76,361</b>	<b>(1,640)</b>	<b>(29,957)</b>	<b>1,431</b>	<b>46,195</b>	<b>765</b>	<b>46,960</b>
Currency translation differences	-	1,661	-	-	1,661	65	1,726
Net income and expense recognised directly in equity	-	1,661	-	-	1,661	65	1,726
Net profit for the year	-	-	4,224	-	4,224	270	4,494
Total recognised income and expense for the year	-	1,661	4,224	-	5,885	335	6,220
Issuance of shares	-	-	-	-	-	-	-
Transaction costs on issue of shares	(4)	-	-	-	(4)	-	(4)
Share-based payments	-	-	-	342	342	-	342
Share of equity	-	-	-	-	-	17	17
<b>At 30 June 2009</b>	<b>76,357</b>	<b>21</b>	<b>(25,733)</b>	<b>1,773</b>	<b>52,418</b>	<b>1,117</b>	<b>53,535</b>

**7. Commentary on the results for the period**

Refer to Notes 2 and 14 of this report.

**8. Dividends**

No dividend was paid during the financial year. The Directors do not recommend the payment of a dividend in respect of the financial year.

**9. Dividend reinvestment plans**

Not applicable

**10. Accumulated losses**

	<b>30.06.2009</b> <b>\$'000</b>	<b>30.06.2008</b> <b>\$'000</b>
Balance at beginning of financial year	(29,957)	(29,698)
Net profit/ (loss) for the year	4,494	(125)
Net profit attributable to minority interests	(270)	(134)
Balance at end of financial year	<b>(25,733)</b>	<b>(29,957)</b>

**11. Net tangible assets backing per ordinary security**

As at 30 June 2009 : 28.1 cents

As at 30 June 2008 : 21.0 cents

## 12. Control gained or lost over entities

Refer to Note 14.4.

## 13. Details of associates

### **Cytomatrix Pty Ltd and Cytomatrix LLC**

The Company has a 25.6% interest in Cytomatrix Pty Ltd and Cytomatrix LLC. The Cytomatrix group is involved in the research and development of stem cell therapies. The contribution of losses of these associated companies to the net profit of the Group for the year ended 30 June 2009 is nil as the share of losses has been capped to the cost of investment.

### **Pharmacell B.V.**

The Company's 10% interest in Pharmacell B.V. was reduced to 3.9% during the year. Pharmacell B.V. is, a company incorporated in the Netherlands and is a life sciences company providing know-how and resources for product and process design combined with GMP manufacturing in its own facility. The contribution of losses of this associate company to the net profit of the Group for the year ended 30 June 2009 is nil. (2008: \$nil). The share of losses has been capped to the cost of the investment since 2007.

### **Australian Stem Cell Healthcare Pty Ltd**

The Company has a 28.4% interest in Australian Stem Cell Healthcare Pty Ltd, previously known as Biocell Pty Ltd. It provides umbilical cord blood collection, processing, and cryopreservation services. The contribution of losses of this associate company to the net profit of the Group for the period 29 December 2008 to 30 June 2009 is \$8,000. (2008: \$nil). The share of losses has been capped to the cost of the investment less impairment during the financial year.

### **DNAPro (M) Sdn Bhd**

The Company has a 19.7% equity stake in DNAPro (M) Sdn Bhd, a company incorporated in Malaysia. DNAPro is engaged in manufacturing and trading of biopharmaceutical products. This interest was previously accounted for as an investment in associate. However as a result of the loss of a position on the Board on 30 June 2008, Cordlife no longer has significant influence over the financial and operating activities of the company. Prior to the loss of significant influence Cordlife's share of losses was \$104,000. The investment was subsequently reclassified as an available-for-sale investment and fully impaired, resulting in an impairment loss on available-for-sale investment of \$231,000 during the year.

**14. Other significant information needed by an investor to make an informed assessment of the consolidated entity's financial performance and financial position**

<b>14.1</b>	<b>Subsequent event</b>	There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.	
<b>14.2</b>	<b>Earnings per share (EPS)</b>	<b><u>Current year</u></b>	<b><u>Previous year</u></b>
	Net profit/ (loss) for the year attributable to members :	\$ 4,224,000	\$ 259,000
	Weighted average number of ordinary shares :	92,492,497	91,068,679
	Weighted average number of outstanding share options :	1,479,565	2,869,920
	Basic EPS (cents) :	4.57	(0.3)
	Diluted EPS (cents) :	4.49	(0.3)

**14.3 Options and Performance Rights Plan**

An equity incentive plan, the Options and Performance Rights Plan ("Plan") was introduced on 23 November 2005 at the Company's Annual General Meeting to foster an ownership culture within the consolidated entity and to motivate employees and directors to achieve performance targets of their respective business units. It replaced the earlier Performance Share Plan which was introduced on 5 May 2004. The Plan is administered by the Remuneration Committee. The directors and employees of Cordlife Ltd and its controlled entities are eligible to participate in the Plan, at the absolute discretion of the Board of Directors.

The number of ordinary shares in the company acquired or subscribed for or issued upon exercise of a performance right or option under the Plan must not, when aggregated with any other ordinary shares issued under the Plan in the company held by the participating directors or executive, exceed 10% of the total ordinary shares in the company issued at the time of issue of the performance rights or options.

In September 2008, performance hurdles were established and specific allocation details were approved by the Remuneration Committee.

During the year, 63,333 options over ordinary shares were granted with an exercise price of \$0.00 exercisable upon meeting the performance hurdles and completion of service conditions. The weighted average fair value of options granted during the year was \$0.35. The fair value is estimated as at the date of grant using Black Scholes model taking into account the terms and conditions upon which the options were granted.

The share based payments expense recognised during the year was \$342,000.

#### 14.4 Details of controlled entities

Name of entity	Country of incorporation	Ownership interest
		2009 %
<b>Parent entity</b>		
Cordlife Ltd	Australia	
<b>Controlled entities</b>		
Cordlife Pte Ltd	Singapore	100
CLS Services Pte Ltd	Singapore	100
Cordlife International Pte Ltd	Singapore	100
Cordlife Services (S) Pte Ltd	Singapore	100
Cordlife (M) Sdn Bhd	Malaysia	100
Cordlife Pty Ltd	Australia	100
Cordlife (Hong Kong) Limited	Hong Kong	51
Shanghai Cordlife Stem Cell Research Co. Ltd	People's Republic of China	100
Cordlife Sciences Limited	Thailand	100
Cygenics (Thailand) Ltd*	Thailand	49
Cordlife Sciences (India) Pvt Ltd	India	85
PT Cordlife Indonesia	Indonesia	51
Cordlife Medical Phils Inc.	Philippines	100
CLS Services B.V.	Netherlands	100

\*Cygenics (Thailand) Ltd is considered a controlled entity as Cordlife Ltd has 99% of the voting rights and share of profits.

#### Australian Stem Cell Healthcare Pty Ltd (formerly Biocell Pty Ltd)

On 29<sup>th</sup> December 2008, Biocell Pty Ltd, previously a 57% owned subsidiary of Cordlife Ltd, merged with CellSense Pty Ltd to form the largest private cord blood bank in Australia (subsequently renamed Australian Stem Cell Healthcare Pty Ltd). The transaction was implemented by Biocell acquiring the CellSense business for an issue of new Biocell shares. On completion, Cordlife Ltd owned 28.4% of Australian Stem Cell Healthcare Pty Ltd and a gain on deemed disposal of \$1,416,000 was recognised.

The Australian Stem Cell Healthcare Pty Ltd transaction was a non-cash transaction and 1,559,789 ordinary shares were issued to CellSense at the price of \$1 each. Goodwill of \$122,000 associated with the 28.6% reduction in the Biocell holding was removed from the balance sheet as a result of this transaction.

The results of Australian Stem Cell Healthcare Pty Ltd have been consolidated up until 29<sup>th</sup> December 2008. Subsequently, it remains as an investment in associated company because Cordlife Ltd has one board seat on Australian Stem Cell Healthcare's board, which indicates the existence of significant influence over the decision making process of Australian Stem Cell Healthcare.

There have been no other changes to the Cordlife Group since 30 June 2008.



## 14.5 Segment information

(a) *Segment revenues and other income*

**Year ended 30.06.2009**

	External sales	Inter-segment	Other	Total
	\$'000	\$'000	\$'000	\$'000
Cord blood banking				
- Asia	22,108	-	-	22,108
- Australia	841	-	-	841
Total of all segments				22,949
Unallocated revenue:				
- Interest income				737
Total consolidated revenue				<b>23,686</b>

**Year ended 30.06.2008**

	External sales	Inter-segment	Other	Total
	\$'000	\$'000	\$'000	\$'000
Cord blood banking				
- Asia	12,727	-	-	12,727
- Australia	1,351	-	-	1,351
Total of all segments				14,078
Unallocated revenue:				
- Interest income				730
Total consolidated revenue				<b>14,808</b>

**Appendix 4E**  
**Preliminary Final Report**

**(b) Segment results**

**Year ended 30.06.2009**

	<b>\$'000</b>
Cord blood banking:	
- Asia	6,143
- Australia	(269)
	5,874
<i>Unallocated income/ (expenses):</i>	
Share of loss of associates	(8)
Share based payments expense	(342)
Gain on loss of control of subsidiary	1,416
Impairment loss on investment in associates	(122)
Impairment loss on available-for-sale investment	(231)
Other unallocated	(1,037)
Profit before income tax expense	5,550
Income tax expense – current tax	(1,056)
Total net profit for the year	<b>4,494</b>

**Year ended 30.06.2008**

	<b>\$'000</b>
Cord blood banking:	
- Asia	4,600
- Australia	(826)
	3,774
Eliminations	8
<i>Unallocated income/ (expenses):</i>	
Share of loss of associates	(110)
Share based payments expense	(854)
Other unallocated	(2,117)
Profit before income tax expense	701
Income tax expense – current tax	(826)
Total net loss for the year	<b>(125)</b>

(c) **Segment assets and liabilities**

**30.06.2009**

	<b>Assets</b>	<b>Liabilities</b>
	<b>\$'000</b>	<b>\$'000</b>
Cord blood banking		
- Asia	73,561	22,570
Eliminations	(10,994)	(12,724)
Unallocated	1,476	662
<b>Consolidated</b>	<b>64,043</b>	<b>10,508</b>

**30.06.2008**

	<b>Assets</b>	<b>Liabilities</b>
	<b>\$'000</b>	<b>\$'000</b>
Cord blood banking		
- Asia	53,162	8,914
- Australia	704	1,823
Total of all segments	53,866	10,737
Eliminations	(5,959)	(5,433)
Unallocated	4,852	495
<b>Consolidated</b>	<b>52,759</b>	<b>5,799</b>

Intangible assets have been allocated to respective business segments.

**Products and services within each geographical segment**

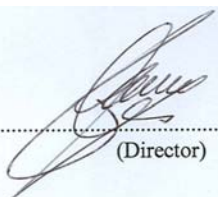
The Group's primary reporting format, geographical segments are determined based on the location of the Group's assets.

- **Australia**                      The Group's holding company is based in Australia and directs the growth in the businesses of the Group around the world as well as carries out cord blood banking and technology development.
  
- **Asia**                                The Group operates cord blood banking in Singapore, Hong Kong, Indonesia and India with sales offices in Thailand and the Philippines.

**15. Audit of this report**

This report is based on accounts which are in the process of being audited. The accounts are not likely to be subject to any dispute or qualification.

Sign here:



(Director)

**Steven Fang**

**28 August 2009**