

Cordlife Ltd

ABN 48 108 051 529

Condensed Half-Year Financial Report

Period Ended 31 December 2009

Cordlife Ltd

Half-year Financial Report for the period ended 31 December 2009

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Cordlife Ltd

Directors' Report

The directors of Cordlife Ltd submit herewith their report and the consolidated financial report of the Company for the half-year ended 31 December 2009.

The names and particulars of the directors of the Company during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Kam Yuen	Chairman (non-executive)
Steven Fang (Boon Sing Fang) CIM (UK), MBA	Executive Director and Chief Executive Officer
Jeremy Yee BA (Econ) (Hons), M Com, B Com (Prof Acct)	Executive Director and Chief Financial Officer
Seow Bao Shuen BA (Econ)	Non-executive Director (resigned on 22 September 2009)
Samuel Kong ACA	Non-executive Director
Mark Benedict Ryan CA, B Com	Non-executive Director
Voiron Chor	Non-executive Director

The Company Secretary is Andrew Lord (BSc, LLB).

Review and results of operations

The consolidated revenue and net profit for the period attributable to members represents the results of operations of Cordlife Ltd and its controlled entities for the period from 1 July 2009 to 31 December 2009. Details of controlled entities are set out in note 11 to the half-year financial statements for the period ended 31 December 2009.

Consolidated revenue and other income for the half-year ended 31 December 2009 decreased by 5% to \$12,601,000 from \$13,218,000 for the half-year ended 31 December 2008.

- Revenue from cord blood banking services was \$12,159,000 for the half-year ended 31 December 2009 as compared to \$11,436,000 for the half-year ended 31 December 2008 (an increase of 6%). The increase in total revenue is due to significant increases in client sign-ups across the Group's existing markets.
- Several marketing and promotional measures were put in place in the first half of this financial year in our two largest stabilised markets. Television commercials were run in the Hong Kong market for the first time, which resulted in higher client sign-ups.
- There are also continued efforts and initiatives to create awareness in the Group's other markets such as Indonesia, India and the Philippines, which resulted in corresponding growth.

Cordlife Ltd

Directors' Report

- The increase in the Group's revenue was negatively impacted by the strengthening of the AUD against the various functional currencies of the subsidiaries for the half-year ended 31 December 2009 as compared to the half-year ended 31 December 2008. The presentation currency of the Group is AUD, as opposed to the functional currencies of the Group's subsidiaries, being, SGD, HKD, IDR, INR and THB. Hence, an appreciation of AUD against the aforementioned functional currencies, especially SGD and HKD, has created an opposing effect against the growth of revenue.
- Interest and other sundry income was \$442,000 for the half-year ended 31 December 2009 as compared to \$1,782,000 for the half-year ended 31 December 2008 (a decrease of 75%). This is largely due to the Group registering a gain on disposal of interests in the Biocell subsidiary of \$1,416,000 last period.
- Distribution and marketing expenses were \$2,730,000 for the half-year ended 31 December 2009 as compared to \$1,933,000 for the half-year ended 31 December 2008 (an increase of 41%). This is mainly due to the increase in advertising and promotional activities carried out for the first half of FY2010. Television commercials were run in the Hong Kong market for the first time, which contributed to the significant increase in advertising costs.
- Administration expenses were \$4,134,000 for the half-year ended 31 December 2009 as compared to \$5,160,000 for the half-year ended 31 December 2008 (a decrease of 20%). Administrative expenses, including salaries, remained stable for the half-year ended 31 December 2009, when compared to last period. The decrease is also due to a decrease in foreign exchange loss.

Net profit attributable to members for the half-year ended 31 December 2009 was \$1,389,000, a decrease of 13% over the net profit attributable to members of \$1,590,000 for the half-year ended 31 December 2008. Prior period's net profit attributable to members included a one-time gain on loss of control of subsidiary of \$1,416,000.

Information on revenue and results of the different operating segments are set out in note 12 to the half-year financial statements. Details of significant costs are set out in note 2.2.

- Cash and cash equivalents, net of bank overdrafts, as at 31 December 2009 was \$12,030,000.
- Trade and other receivables at 31 December 2009 was \$8,062,000, as compared to \$8,780,000 at 30 June 2009. This was due to a decrease in trade receivables by 18%, offset by an increase in other receivables of 108%. The drop in trade receivables was due to additional efforts made in collections from customers. Credit control teams and protocols were formally established in the Group's major markets such as Singapore, Hong Kong and Indonesia, which resulted in the drop in current trade receivables. The increase in other receivables was due to security rental deposits placed for new offices and facilities in the Group's Hong Kong, Indonesia and Philippines markets.
- Amount due from associated companies at 31 December 2009 was \$45,000, as compared to \$492,000 at 30 June 2009. This was due to repayment of debts by Biocell Pty Ltd during the period.
- Property, plant and equipment at 31 December 2009 was \$1,654,000, as compared to \$1,155,000 at 30 June 2009. The increase was due to renovations, fit-out costs and equipment pertaining to new offices and facilities in Hong Kong, Indonesia and Philippines.
- During the half-year ended 31 December 2009, the Group acquired a 10% stake in China Stem Cell (South) Company Limited for US\$10 million. This investment provides Cordlife a foothold in China, one of the largest and fastest growing cord blood banking markets in the world. This investment was accounted for as an available-for-sale investment. As at 31 December 2009, an amount of US\$2.5m had been paid, with the remaining US\$7.5m being recorded in other payables, hence, the corresponding increase in other payables.
- Income tax payable at 31 December 2009 was \$1,607,000, as compared to \$1,871,000 at 30 June 2009. The decrease is due to payment of tax to the respective authorities, offset by additional tax provision relating to taxable income for the half-year period for the Singapore and Hong Kong entities.

Cordlife Ltd

Directors' Report

For further information on the activities and developments of the Group, please refer to previously released market announcements of the Company during the half-year ended 31 December 2009 and until the date of this report.

Auditor's independence declaration

In accordance with section 307C of the *Corporations Act 2001*, we have obtained a declaration of independence from our auditors Ernst and Young, a copy of which follows this Report.

Rounding of amounts to nearest thousand dollars

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

This report is made in accordance with a resolution of the directors.

On behalf of the Board



(Director)

Steven Fang

Director

Singapore

26 February 2010



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Auditor's Independence Declaration to the Directors of Cordlife Limited

In relation to our review of the financial report of Cordlife Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read "Ernst & Young".

Ernst & Young

A handwritten signature in black ink, appearing to read "R A Kirkby".

R A Kirkby
Partner
26 February 2010

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under Professional Standards Legislation



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To the members of Cordlife Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cordlife Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cordlife Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, 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 Australian 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration a copy of which is included in the Directors' Report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cordlife Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

R A Kirkby
Partner
Perth
26 February 2010

Cordlife Ltd

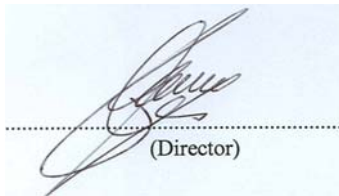
Directors' Declaration

In accordance with a resolution of the directors of Cordlife Ltd, I state that:

In the opinion of the directors:

- a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



(Director)

Steven Fang

Director

Singapore

26 February 2010

Cordlife Ltd

Consolidated statement of comprehensive income for the half-year ended 31 December 2009

	Note	Half-year ended 31 December 2009 \$'000	Half-year ended 31 December 2008 \$'000
Revenue	2.1(a)	12,601	11,775
Cost of sales		(3,370)	(3,387)
Gross profit		9,231	8,388
Other income			
- Sundry income	2.1(b)	-	27
- Gain on loss of control of subsidiary	2.1(b)	-	1,416
Distribution and marketing expenses		(2,730)	(1,933)
Share of results of associates		-	(55)
Administration expenses		(4,134)	(5,160)
Borrowing costs		(18)	(2)
Profit before income tax		2,349	2,681
Income tax expense		(758)	(830)
Profit after income tax		1,591	1,851
Other comprehensive income			
Foreign currency translation gains/(losses)		(1,414)	6,519
Total comprehensive income for the period, net of tax		177	8,370
Profit after income tax attributable to:			
Non-controlling interests		202	261
Members of parent		1,389	1,590
		1,591	1,851
Total comprehensive income attributable to:			
Non-controlling interests		83	549
Members of parent		94	7,821
		177	8,370
Earnings per share attributable to the ordinary share equity holders of the company:			
Basic EPS (cents per share)	10	1.4	1.7
Diluted EPS (cents per share)	10	1.4	1.7

The above statement should be read in conjunction with the accompanying notes.

Cordlife Ltd

Consolidated statement of financial position for the half-year ended 31 December 2009

	Note	31 December 2009 \$'000	30 June 2009 \$'000
Current assets			
Cash and cash equivalents		12,748	7,978
Trade and other receivables	3	8,062	8,780
Amount due from associate company		45	492
Inventories		415	281
Other financial assets		-	2,371
Total current assets		21,270	19,902
Non-current assets			
Property, plant and equipment		1,654	1,155
Investment in associates		-	-
Trade receivables	3	16,304	15,433
Intangible assets and goodwill	4	27,526	27,545
Available-for-sale investment	5	11,066	-
Deferred tax asset		7	8
Total non-current assets		56,557	44,141
Total assets		77,827	64,043
Current liabilities			
Trade and other payables		10,952	2,541
Deferred revenue		1,996	2,928
Income tax payable	7	1,607	1,871
Interest-bearing borrowings		718	919
Finance lease liability		7	11
Total current liabilities		15,280	8,270
Non-current liabilities			
Deferred revenue		2,987	2,238
Total non-current liabilities		2,987	2,238
Total liabilities		18,267	10,508
Net assets		59,560	53,535
Equity			
Contributed equity	9	82,281	76,357
Foreign currency translation reserve	8	(1,274)	21
Other reserve		(76)	-
Employee equity benefits reserve		1,773	1,773
Accumulated losses		(24,344)	(25,733)
Attributable to equity holders of the parent		58,360	52,418
Non-controlling interests		1,200	1,117
Total equity		59,560	53,535

The above statement should be read in conjunction with the accompanying notes.

Cordlife Ltd

Consolidated statement of cash flows for the half-year ended 31 December 2009

	Half-year ended 31 December 2009 \$'000	Half-year ended 31 December 2008 \$'000
Cash flows from operating activities		
Receipts from customers	12,029	9,354
Payments to suppliers and employees	(10,585)	(9,594)
Interest received	167	142
Interest paid	(17)	(5)
Tax paid	(895)	(329)
Net cash flows from/(used in) operating activities	699	(432)
Cash flows from investing activities		
Net cash disposed of upon loss of control of subsidiary	-	(176)
Acquisition of available-for-sale investment	(2,762)	-
Purchase of plant and equipment	(757)	(189)
Investment in term deposits (12 months)	-	(2,371)
Redemption of term deposits	2,371	-
Net cash flows used in investing activities	(1,148)	(2,736)
Cash flows from financing activities		
Proceeds from issues of shares	6,024	-
Payment for transaction costs on issue of shares	(100)	-
Proceeds from issues of shares in a subsidiary to minority shareholders	-	11
Net cash flows from financing activities	5,924	11
Net increase/(decrease) in cash and cash equivalents held	5,475	(3,157)
Cash and cash equivalents at the beginning of the financial period	7,059	8,364
Effects of exchange rate changes on the balance of cash held in foreign currencies	(504)	1,539
Cash and cash equivalents at the end of the financial period	12,030	6,746

The above statement should be read in conjunction with the accompanying notes.

Cordlife Ltd

Consolidated statement of changes in equity for the half-year ended 31 December 2009

	Attributable to equity holders of the parent					Non-controlling interests	Total Equity	
	Contributed equity \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Employee equity benefits reserve \$'000	Other reserves \$'000	Total \$'000	\$'000	\$'000
At 1 July 2009	76,357	21	(25,733)	1,773	-	52,418	1,117	53,535
Profit for the period	-	-	1,389	-	-	1,389	202	1,591
Other comprehensive income	-	(1,295)	-	-	-	(1,295)	(119)	(1,414)
Total comprehensive income for the half-year, net of tax	-	(1,295)	1,389	-	-	94	83	177
Transactions with owners in their capacity as owners								
Acquisition of non-controlling interests	-	-	-	-	(76)	(76)	-	(76)
Issuance of shares	6,024	-	-	-	-	6,024	-	6,024
Transaction costs on issue of shares	(100)	-	-	-	-	(100)	-	(100)
At 31 December 2009	82,281	(1,274)	(24,344)	1,773	(76)	58,360	1,200	59,560

The above statement should be read in conjunction with the accompanying notes.

Cordlife Ltd

Consolidated statement of changes in equity for the half-year ended 31 December 2008

	Attributable to equity holders of the parent				Non- controlling interests	Total Equity	
	Contributed equity \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Employee equity benefits reserve \$'000	Total \$'000	\$'000	\$'000
At 1 July 2008	76,361	(1,640)	(29,957)	1,431	46,195	765	46,960
Profit for the period	-	-	1,590	-	1,590	261	1,851
Other comprehensive income	-	6,231	-	-	6,231	288	6,519
Total comprehensive income for the half-year, net of tax	-	6,231	1,590	-	7,821	549	8,370
Transactions with owners in their capacity as owners							
Share-based payments	-	-	-	189	189	-	189
Transaction costs on issue of shares	(4)	-	-	-	(4)	-	(4)
Share of equity	-	-	-	-	-	11	11
At 31 December 2008	76,357	4,591	(28,367)	1,620	54,201	1,325	55,526

The above statement should be read in conjunction with the accompanying notes.

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2009 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report should be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by Cordlife Ltd and its controlled entities during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX listing rules.

Significant Accounting Policies

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements.

Adoption of new and amending Australian Accounting Standards and Interpretations

From 1 July 2009, the Group has adopted all Australian Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009. Adoption of these Standards and Interpretations did not have an effect on the financial position and performance of the Group. The impact of new and amending Standards and Interpretations on the financial statements is as follows:

- AASB 8 Operating Segments

The Standard replaces AASB 114 Segment Reporting and requires a management approach to be used for segment reporting and also replaces the requirement to determine the primary (business) and secondary (geographical) reporting segments of the Group. This approach identifies operating segments by reference to internal reports that are evaluated regularly by the chief decision maker in deciding how to allocate resources and in assessing performance. The Group concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments reported under AASB 114. Additional disclosures about each segment and the method of identification have been shown in note 12.

- AASB 101 Presentation of Financial Statements (revised)

The revised Standard separates owner and non-owner changes in equity and requires a statement of comprehensive income to be prepared which discloses all changes in equity during a period resulting from non-owner transactions. The Group has elected to present comprehensive income using the single statement approach.

- AASB 3 Business combinations (Revised)

The revised AASB 3 applies the acquisition method to account for business combinations. Under this method all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition by acquisition basis to measure the non-controlling interest in the acquiree either at the fair value or at the non-controlling interest proportionate to the share of the acquiree's net assets. In accordance with the transitional provisions, the Group will apply the revised standard prospectively.

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

- AASB 2 Share-Based Payments Revised: Vesting Conditions and Cancellations and AASB 2008-1 Amendments to Australian Accounting Standard Share-based Payments: Vesting Conditions and Cancellations:

The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

- AASB 127 Consolidated and Separate Financial Statements (revised):

There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.

The Group has applied the revised standard prospectively.

During the period, the acquisition of a non-controlling interest in a subsidiary resulted in an amount of \$76,000 being recognized in equity and representing the difference between the amount by which the non-controlling interest was adjusted and the fair value of the consideration paid.

- AASB 123 Borrowing Costs

The revised AASB 123 requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Group's previous policy was to expense borrowing costs as they were incurred. In accordance with the transitional provisions of the amended AASB 123, the Group has adopted the Standard on a prospective basis. Therefore, borrowing costs are capitalized on qualifying assets with a commencement date on or after 1 January 2009. The Group did not capitalize any borrowing costs in the current period.

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Notes to the Financial Statements for the half-year ended 31 December 2009

	Half-year ended 31 December 2009 \$'000	Half-year ended 31 December 2008 \$'000
2.1 Revenue		
(a) Revenue		
Revenue from the rendering of services	12,159	11,436
	12,159	11,436
Other revenue		
Interest income	86	156
Interest income on long-term trade receivables	356	183
	442	339
Total revenue	12,601	11,775
(b) Other income		
Gain on loss of control of subsidiary	-	1,416
Sundry income	-	27
	-	1,443
Total revenue and other income	12,601	13,218

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

2.2 Profit before income tax

Profit before income tax includes the following items of expense:

	Half-year ended 31 December 2009 \$'000	Half-year ended 31 December 2008 \$'000
Depreciation of property, plant and equipment	283	263
Amortisation of intangibles: Software	20	21
Operating lease expenses – rental expenses	253	264
Foreign exchange loss	57	1,101
Staff costs	3,279	3,422
Other expenses:		
Legal and professional fees	102	51
Business travel	482	421
Consultancy	119	174
Advertising and promotion	1,270	657
Impairment loss on investment in associates	-	121

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

	31 December 2009 \$'000	30 June 2009 \$'000
3 Trade and other receivables		
<i>Current</i>		
Trade receivables	6,622	8,087
Goods and services tax recoverable	215	139
Interest and other receivables	1,225	554
	8,062	8,780
Non-current trade receivables	16,304	15,433
Total trade and other receivables	24,366	24,213

4 Intangible assets and goodwill		
Goodwill	27,500	27,500
Software	26	45
	27,526	27,545

5 Available-for-sale investment		
Available-for-sale investment	11,066	-

During the period, the Company acquired a 10% stake in China Stem Cell (South) Company Limited for US\$10 million. This investment provides Cordlife a foothold in China, one of the largest and fastest growing cord blood banking markets in the world. The investment has been recognized at cost as the fair value of the investment could not be reliably measured.

6 Notes to statement of cash flows		
For the purpose of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank and in hand	9,198	6,609
Term deposits with banks	3,550	1,369
Bank overdraft	(718)	(919)
	12,030	7,059

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

	31 December 2009 \$'000	30 June 2009 \$'000
7 Income tax payable		
Income tax payable	1,607	1,871
8 Foreign currency translation reserve		
Foreign currency translation reserve	(1,274)	21
9 Contributed equity		
Balance at beginning of the period	76,357	76,361
Issue of shares during the period	6,024	-
Transaction costs related to issue of shares	(100)	(4)
Balance at end of the period	82,281	76,357

During the period, the Company issued 14,008,251 ordinary shares at \$0.43 per share upon the successful completion of share placement agreements entered into on 23 October 2009.

	Half-year ended 31 December 2009	Half-year ended 31 December 2008
10 Earnings per share		
Net profit for the year attributable to members	\$1,389,000	\$1,590,000
Weighted average number of ordinary shares for basic earnings per share	98,635,632	92,362,403
Weighted average number of ordinary shares for diluted earnings per share	98,635,632	95,232,323
Basic EPS (cents)	1.4	1.7
Diluted EPS (cents)	1.4	1.7

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

11 Controlled entities

The consolidated financial statements include the financial statements of Cordlife Ltd and the subsidiaries listed in the following table.

Name of entity	Country of incorporation	Ownership interest	Ownership interest
		31/12/2009 %	30/6/2009 %
Parent entity			
Cordlife Ltd	Australia		
Controlled entities			
Cordlife Pte Ltd	Singapore	100	100
CLS Services Pte Ltd	Singapore	100	100
Cordlife International Pte Ltd	Singapore	100	100
Cordlife Services (S) Pte Ltd	Singapore	100	100
Cordlife (M) Sdn Bhd	Malaysia	100	100
Cordlife Pty Ltd	Australia	100	100
Cordlife (Hong Kong) Ltd	Hong Kong	51	51
Shanghai Cordlife Stem Cell Research Co. Ltd	Peoples Republic of China	100	100
Cordlife Sciences Ltd	Thailand	100	100
Cygenics (Thailand) Ltd*	Thailand	49	49
Cordlife Sciences (India) Pvt Ltd	India	85	85
PT Cordlife Indonesia	Indonesia	65	51
Cordlife Medical Phils Inc	Philippines	100	100
CLS Services B.V.	Netherlands	100	100

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

PT Cordlife Indonesia

On 11 September 2009, the Company increased its shareholding in its subsidiary, PT Cordlife Indonesia, through a share acquisition from its Indonesia partner, PT Kalbe Farma. Cordlife Limited and PT Kalbe Farma previously owned 51% and 49% of PT Cordlife Indonesia respectively. With this strategic move, the Company now owns 65% of the shares in PT Cordlife Indonesia and shall designate a third party to purchase the remaining 35%.

There have been no other changes to the Cordlife Group since 30 June 2009.

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

12 Segment information

The Group has identified its operating segments based on the internal management reporting that is used by the executive management team (the chief operating decision maker) in assessing performance and allocating resources. Cordlife's operating segments have been identified based on how the financial and operating results of the Group are monitored and presented internally to the executive management team.

The following reportable segments are identified by management based on the nature of the business and the similarity of services provided, method of service delivery, gross margin, types of customers and risks associated with the geographical market, as these are the sources of the Group's major risks and has the most effect on the rates of return.

- **Stabilised Markets**
Stabilised markets include Cordlife's cord blood banking operations in Singapore and Hong Kong, as these geographical operations involve similar types of customers, gross margins on services provided and risks associated with the geographical market. The reporting segment provide cord blood extraction and storage services in the stabilised markets.
- **Developing Markets**
Developing markets include Cordlife's cord blood banking operations in Indonesia, Philippines and India, as these cord blood banking markets have a similar level of maturity, customer type, gross margin and associated market risks. The reporting segment provide cord blood extraction and storage services in the developing markets.

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the accounts.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Corporate costs
- Share of losses and impairment losses of associates
- Interest income excluding interest income on long-term trade receivables
- Net gains and losses on disposal of subsidiary

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

12 Segment information (continued)

(a) Segment revenue

Half year ended 31 December 2009	Stabilised markets	Developing markets	Total
	\$'000	\$'000	\$'000
	Revenue from external customers for cord blood banking services:	11,387	772
Interest income on long-term trade receivables	347	9	356
Unallocated revenue:			
- Interest income			86
Total consolidated revenue			12,601

Half year ended 31 December 2008	Stabilised markets	Developing markets	Total
	\$'000	\$'000	\$'000
	Revenue from external customers for cord blood banking services:	10,109	1,327
Interest income on long-term trade receivables	181	2	183
Unallocated revenue:			
- Interest income			156
Total consolidated revenue			11,775

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

12 Segment information (continued)

(b) Segment results

Half-year ended 31 December 2009

	\$'000
Segment profit from cord blood banking services:	
- Stabilised markets	4,193
- Developing markets	(914)
	3,279
<i>Unallocated income/ (expenses):</i>	
Interest income	86
Corporate costs	(982)
Other unallocated	(34)
Profit before income tax expense	2,349

Half-year ended 31 December 2008

	\$'000
Segment profit from cord blood banking services:	
- Stabilised markets	4,583
- Developing markets	(1,040)
	3,543
<i>Unallocated income/ (expenses):</i>	
Share of loss of associates	(55)
Interest income	156
Gain on loss of control of subsidiary	1,416
Impairment loss on investment in associates	(121)
Corporate costs	(2,246)
Other unallocated	(12)
Profit before income tax expense	2,681

Cordlife Ltd

Notes to the Financial Statements for the half-year ended 31 December 2009

12 Segment information (continued)

(c) Segment assets

	31 December 2009 \$'000	30 June 2009 \$'000
Segment assets:		
- Stabilised markets	76,397	69,320
- Developing markets	4,408	3,831
	80,805	73,151
Eliminations	(15,898)	(10,779)
Corporate assets	1,511	1,477
Available-for-sale investment	11,066	-
Others	343	194
Consolidated	77,827	64,043

13 Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year period 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.

14 Contingent liabilities and contingent assets

Since the last annual reporting date, there have been no material changes in contingent assets or liabilities.

15 Options and Performance Rights Plan

During the financial period no options were granted. A total of 738,330 share options were exercised at \$0.00.

16 Dividends

The company did not pay any dividends during the half-year period. The Directors do not recommend the payment of a dividend in respect of the half-year period.

Appendix 4D

Half Year Report

1. Company details

Name of entity

Cordlife Ltd

ABN

48 108 051 529

Half year ended

31 December 2009

The previous corresponding period refers to the comparative amounts for the half-year period ended 31 December 2008.

2. Results for announcement to the market

			A\$'000
2.1 Total revenues	: up	7%	to 12,601
2.2 Net profit for the period attributable to members	: down	13%	to 1,389
2.3 Dividends	: Nil		

Refer to the Review and results of operations in the Directors Report

3. Net tangible assets backing per ordinary security

As at 31 December 2009 : 29.8 cents

As at 31 December 2008 : 30.2 cents

4. Control gained or lost over entities

During the financial period the Company increased its shareholding in its subsidiary, PT Cordlife Indonesia from 51% to 65%.

5. Dividends

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

6. Dividend reinvestment plans

Not applicable

7. Details of associates and joint venture entities

The Company had three associates during the period:

- 1) Name of associate : Pharmacell B.V.
Place of incorporation : The Netherlands
Percentage holding : 3.9%
Date of investment : 1 June 2006
Share of result for the half year
ended 31 December 2008 : Nil
Share of result for the period : Nil
Share of result up till 31/12/2009 : \$(298,000)
- 2) Name of associate : Cytomatrix Pty Ltd
Place of incorporation : Australia
Percentage holding : 25.6%
Date of investment : 29 June 2007
Share of result for the period : Nil
- 3) Name of associate : Australian Stem Cell Healthcare Pty Ltd
Place of incorporation : Australia
Percentage holding : 8.75%
Date of investment : 29 December 2008
Share of result for the period : Nil
Share of result up till 31/12/2009 : Nil

8. Foreign entities

Please refer to note 11 of the Condensed Half-Year Financial Report

9. Review of the half year financial report

This report is based on accounts which have been reviewed. The accounts are not subject to any dispute or qualification.

Sign here:



(Director)

Steven Fang
Director

26 February 2010