



29 January 2010

**Manager of Company Announcements
Australian Stock Exchange Ltd**

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

Please find attached Cordlife Ltd's Quarterly report for the period ended 31 December 2009.

Key Points:

- **Cordlife continues its strong growth in cord blood banking business in Asia.**
- **Record 2,282 new clients signed-up in the quarter ended December 2009 (December 2008 quarter: 1,690 clients signed-up), an increase of 35% over the corresponding quarter of the previous year.**
- **Cord blood banking business generated cash receipts of \$6,820,000 for the quarter (December 2008 quarter: \$5,157,000), an increase of 32% over the corresponding quarter of the previous year.**

Cashflow Analysis

The cord blood banking business continued its strong growth in Asia. At 31 December 2009, total client numbers were approximately 25,417 (17,212 as at 31 December 2008). This included record overall new sign-ups in the quarter ended December 2009 of 2,282 clients, an increase of 35% over new clients signed-up in the corresponding quarter of the previous year.

The continuous improvement in the number of new clients signed-up, together with increased cash flows from annual storage, led to an increase in cash receipts during the quarter (Q2 2010) by 32% to \$6,820,000 over the corresponding quarter (Q2 2009) of \$5,157,000 in the previous year. The increase is also contributed by a higher proportion of clients signing up for prepaid plans, as compared to annual plans.

Cash inflows from operating activities during the quarter comprised receipts from customers of \$6,820,000 (Q2 2009 - \$5,157,000) and interest received of \$157,000 (Q2 2009 - \$91,000).

Cash outflows from operating activities during the quarter mainly comprised staff costs of \$1,637,000 (Q2 2009 - \$1,901,000), advertising and marketing of \$627,000 (Q2 2009 - \$309,000), income tax payment of \$674,000 and other working capital of \$3,280,000 (Q2 2009 - \$3,515,000).

Income tax for Year of Assessment 2008/2009 and provisional income tax for Year of Assessment 2009/2010 amounting to \$347,000 was paid during the quarter in Hong Kong. Payment for income tax of \$328,000 in Singapore relates to 3 installments for the estimated chargeable income for Year of Assessment 2010.

Payments for other working capital mainly include direct costs of rendering cord blood banking services; it also includes property lease rental costs in Asia and business development expenses in the emerging markets of Indonesia, India and the Philippines.

Net cash inflows from operating activities during the quarter were \$728,000 as compared to outflows of \$482,000 during the corresponding quarter of the previous year (Q2 2009).

Cash outflows of \$3,285,000 from investing activities comprised payments of \$523,000 for renovations and fitting-out costs for its Hong Kong, Indonesia and Philippines offices and facilities. This is in line with the growth and expansion plans of these 3 regions.

The remaining amount of \$2,762,000 was paid for the purchase of a 10% stake in China Stem Cells (South) Company Limited. This is the first payment for the US\$10m investment. This investment provides Cordlife with access to China, one of the largest and fastest growing cord blood banking markets in the world.

Cash inflows from financing activities included an amount of \$6,024,000 from the allotment of 14,008,251 ordinary shares. Proceeds from the funds raised will be used to provide additional working capital to continue to implement the Company's regional growth strategy.

The net inflow of cash for the quarter was \$3,384,000. Cash at 31 December 2009 was \$12,031,000.

For further information on the activities and developments of the Company, please refer to the previously released market announcements of the Company during the quarter ended 31 December 2009.

29 January 2010

Yours Sincerely

A handwritten signature in black ink, consisting of a large loop followed by a diagonal stroke and a final downward stroke.

**Andrew Lord
Company Secretary
Cordlife Ltd**

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Cordlife Ltd

ABN

48 108 051 529

Quarter ended ("current quarter")

31 December 2009

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	6,820	12,029
1.2 Payments for		
(a) staff costs	(1,637)	(3,379)
(b) advertising and marketing	(627)	(1,257)
(c) research and development	-	-
(d) leased assets	(22)	(30)
(e) other working capital	(3,280)	(5,936)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	157	167
1.5 Interest and other costs of finance paid	(9)	(17)
1.6 Income taxes paid	(674)	(895)
1.7 Other	-	-
Net operating cash flows	728	682

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	728	682
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(2,762)	(2,762)
(c) intellectual property	-	-
(d) physical non-current assets	(523)	(757)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5) (net cash not consolidated upon disposal)	-	-
(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 Transfer to cash and cash equivalents	-	2,371
Net investing cash flows	(3,285)	(1,148)
1.14 Total operating and investing cash flows	(2,557)	(466)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares	6,024	6,024
1.16 Proceeds from issues of shares in a subsidiary to minority shareholders	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Others – Share issue transaction costs	(83)	(83)
Net financing cash flows	5,941	5,941
Net (decrease)/increase in cash held	3,384	5,475
1.21 Cash at beginning of quarter/year to date	8,783	7,059
1.22 Exchange rate adjustments	(136)	(503)
1.23 Cash at end of quarter	12,031	12,031

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	174
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

The aggregate payment comprises remuneration paid to the directors of Cordlife Ltd.

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 - overdraft	1,274	718
3.2	Credit standby arrangements – credit card facilities available.	-	-

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Reconciliation of cash

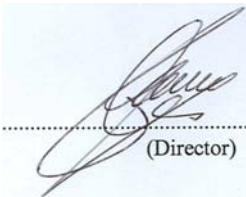
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	9,199	6,063
4.2 Deposits at call (with banks)	3,550	3,600
4.3 Bank overdraft	(718)	(880)
4.4 Other – money market instruments (with banks)	-	-
Total: cash at end of quarter (item 1.23)	12,031	8,783

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	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

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.



(Director)

Steven Fang
29 January 2010

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* applies to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.