

For Immediate Release

CyGenics reports a 40 per cent increase in revenue

31 August 2005: Leading Cell Therapy company, CyGenics Limited (ASX: CYN), today announced its results for year ending 30 June 2005. The results represent the first full year of operations for the CyGenics Group.

Financial highlights:

- Revenue from ordinary activities was \$4.1 million, up from \$2.9 million proforma revenue for the previous year
- Increase in revenue was in line with internal projections
- Revenue from cord blood banking services increased to \$840,000 for the half year to 30 June 2005, up from \$761,000 for half year to 31 December 2004
- Revenue from Government grants increased to \$655,000 for the half year to 30 June 2005, up from \$539,000 for half year to 31 December 2004
- Cash reserves of \$13.7 million

Technology development highlights:

- Preparation for clinical trials of the RegenImmune™ T cell immunotherapy technology at the Peter MacCallum Cancer Centre, in Melbourne, has begun
- The company filed an Investigational New Drug ("IND") application with the US Food and Drug Administration ("FDA"), for a Phase I/II clinical trial of the RegenImmune™ T cell immunotherapy technology. The IND underwent customary initial review by the FDA. In addition to the information provided, the FDA requested further information be included for review. The additional pre-clinical information requested by the US FDA is anticipated to be completed in the last quarter of 2005
- Preliminary work on the clinical study design and drafting of the documents is underway for the TransCord™ stem cell expansion technology clinical trial
- Trials for RegenImmune™ and TransCord™ technology are scheduled to commence in the first quarter of 2006

Business highlights:

- Expanded operations in all areas of business
- A new subsidiary, CytoVations, was formed in June 2005 to focus on the needs of the growing cell therapy market in the US
- Tissue banking subsidiary, Cordlife, expanded its operations in the Asian region with investment in laboratory fit-outs and equipment, manpower and business development
- The number of new clients signing up for umbilical cord banking services for the half year ended 30 June 2005 increased to 856, up from 333 for the corresponding half



year ended 30 June 2004. The increase is a direct result of the company's increased marketing efforts

- Product sales and distribution subsidiary, Cell Sciences, expanded significantly, securing new product lines as well as management contracts awarded by medical institutions, including Singapore government Public Cord Blood Bank.
- A Memorandum of Understanding was entered into with Corning Life Sciences (CLS), a subsidiary of Corning Inc. in the US, allowing CLS to sell disposable spinner flasks designed and manufactured by Cell Sciences

Chief Executive Officer of CyGenics, Mr Steven Fang said: "We have had a tremendously productive first year of operations. Our technology development program is on track, we have expanded into major markets in Asia and strengthened our presence in the US and Europe, and achieved an overall increase in revenue of 40 per cent. Our businesses continue to perform well, with plenty of growth prospects."

About Cell Therapy – Adult Stem Cells

Stem cells are precursor cells with an ability to both self-renew and differentiate into cell types with a specialised function, such as blood, muscle or brain tissue. These stem cells may be sourced from adult stem cell tissue reservoirs such as bone marrow, cord blood or peripheral blood. Cell Therapy using adult stem cells aims to "cure" disease by replacing 'diseased' cells with 'healthy' cells. This is an extremely exciting area of medicine that is currently in use at leading Oncology centres around the world in the treatment of cancer patients. The Cell Therapy field is expected to expand into areas such as immunotherapy, diabetes, heart disease and spinal cord injury, as more and more technology utilising adult stem cells is approved.

About CyGenics

CyGenics is a Cell Therapy company focused on the development and commercialisation of adult stem cell-related technologies and applications into therapeutic products and services. From its headquarters in Australia, CyGenics operates four subsidiary businesses: Singapore-based CordLife (tissue banking services, in particular, cord blood banking) and Cell Sciences (consumable cell culture products), Cytomatrix (cell therapeutics and technology development) based in Boston, USA, and CytoVations (new product development) based in New Jersey, USA. CyGenics is listed on the Australian Stock Exchange, under the symbol CYN. For more information, please visit www.cygenics.com

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