



#### About CyGenics

CyGenics (ASX: CYN), is a healthcare company focused on tissue and cord blood banking. CyGenics owns and operates the largest network of private cord blood banks in the Asia and Asia Pacific region and has a portfolio of stem cell technology related investments. Web site: [www.cygenics.com](http://www.cygenics.com)

Its major subsidiary, CordLife, is an Asian regional cord blood bank that operates a state-of-the-art AABB (formerly known as the American Association of Blood Banks) accredited facility in Singapore and a separate compliant facility in Hong Kong. CordLife's facility was the first private cord blood bank to be set up in Singapore, and among the first in Asia. It is the only AABB-accredited cord blood bank in this region. These banking facilities comprise full processing and cryogenic storage capabilities. Web site: [www.cordlife.com](http://www.cordlife.com)

Its subsidiary, BioCell, is an Australian cord blood bank. BioCell has a strategic relationship with the Sydney Adventist Hospital. The cord blood units are processed and stored in the Therapeutic Goods Administration (the Australian regulator) accredited cord blood banking facility in the Hospital. Web site: [www.biocellaustralia.com](http://www.biocellaustralia.com)

#### About Cord Blood Stem Cells

Cord blood stem cells are most commonly used to treat several different types of blood cancers, such as acute leukemias, other blood disorders and various inherited disorders. Stem cells from cord blood are described as 'adult' to distinguish them from the stem cells derived from embryos. Research into the use of these cells has shown that adult stem cells can also be used to treat autoimmune diseases such as lupus, multiple sclerosis, Crohn's disease, and rheumatoid arthritis. Early clinical studies also suggest that they can help avert corneal degeneration and restore vision in cases of blindness, can help to restore proper cardiac function to heart attack sufferers and can improve movement in spinal cord injury patients. Stem cells from cord blood have a number of advantages over stems cells collected later in life, including a lower risk of rejection.

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# Investor News

ASX : CYN

March 2007

## CyGenics → CordLife: Asia Pacific Tissue and Cord Blood Storage

At our AGM in November 2006, we reported a refocus of the CyGenics Group to its core revenue generating business. The Company's objective is to become the premier tissue and cord blood banking group in the Asia Pacific region. As a result, we now focus our management and financial resources on our core revenue-generating tissue and cord blood banking business. To underline this focus, the board approved, subject to ASIC and shareholders' approval, the change of the Group's name to CordLife Limited.

Revenue from tissue and cord blood banking services was A\$2,322,000 for the half-year ended 31 December 2006 as compared to A\$1,447,000 for the half-year ended 31 December 2005 (an increase of 60%). Annuity revenue, in the form of annual storage charges, is budgeted to exceed A\$750,000 this financial year (up from A\$300,000 last year). Total client numbers are now above 7,500. Cash at 31 December 2006 was A\$6,322,000.

During 2006 year, we formed partnerships in both India and Indonesia, with outstanding local parties. Our equity business partner in India, which holds 15%, is Kolkata based Strassenburg Pharmaceuticals Ltd, and is one of the leading pharmaceutical houses in Eastern India. Our 49% equity business partner in Indonesia is Jakarta based PT Kalbe Farma, the largest pharmaceutical company in South East Asia. The companies have extensive marketing and distribution networks throughout India and Indonesia respectively. We are currently on track to open new tissue and cord blood processing and storage facilities in both countries in the April – June period, 2007.

Our technology investment portfolio, which holds our non-core activities and IP, is now well established, and senior executive responsibility for the management of the portfolio has passed to, Ian Brown, in his new role as Chief Investment Officer. Ian will be supported by our Chief Scientific Officer, Associate Professor Mark Kirkland. Our medium-term objective is to realise cash from the disposal of equity investments, and to further develop IP investments through partnering and licensing opportunities.

There is an air of real excitement in the CyGenics team, founded on the knowledge that we have the right focus and strategy, and the skills and experience to implement it. Shareholders have every good reason to expect that 2007 will be a successful and defining year for the company.



Our cord blood banking business across the region is built on the solid foundations of the CordLife business model. First started in Singapore 2001, CordLife made significant early investments into international quality systems for the collection, processing and storage of umbilical cord blood, and investments into finance systems (SAP) for the management of client and company accounts. These early investments are now paying dividends; we have already integrated these systems into Hong Kong, Indonesia, India, Thailand and the Philippines. The company can now draw on economies of scale across the region.

## Country Highlights

**Singapore** – CordLife has invested further into marketing and advertising this financial year in order to further build on the Cordlife brand and accelerate market growth. A new series of promotional packages have been designed for Thomson Medical Centre and other key partner medical centres. An Ultrasound card giveaway program has been initiated in major hospitals and clinics. The company also initiated a \$100 discount voucher to existing clients in November, resulting in a more than 50% increase in client referrals.

**Australia** – BioCell has increased client sign-ups 5 fold over the course of 2006 and this growth looks set to continue in 2007. The company has moved into a new and larger office (Level 2, 450 St Kilda Road, Melbourne), built a new TGA compliant cord blood collection kit assembly laboratory and completed its TGA audit and audit response cycle for 2006. BioCell has established agreements with Ramsay Health Care and St John of God Health Care, and strengthened its relationship with our strategic partners Sydney Adventist Hospital. In collaboration with Cystic Fibrosis Australia, BioCell has established the first program for collection and storage of cord blood for families with children with Cystic Fibrosis.



**Indonesia (New service to start early Second Quarter 2007)** – The building of the new cord blood bank facility has been completed and laboratory equipment is being commissioned. The facility will be inspected by the Indonesian Health Ministry in the coming weeks and the license to operate is anticipated to be granted subsequently. CordLife Indonesia will be the only licensed private cord blood bank in the country. It is expected that the new facility will be officially launched early in the second quarter 2007. A general manager and full management team have already been appointed. And an Indonesian version of the company's marketing video now being screened in a number of hospitals and clinics.

**India (New service to start end Second Quarter 2007)** – The Indian cord blood bank facility began construction in December 2006. This will be the largest facility in the group, with an initial capacity of 50,000 samples; that can be expanded significantly as we grow our business in India. The building is designed with two additional floors reserved for the cord blood bank: enabling the facility to quadruple capacity when the need arises. The facility in Kolkata will be the only cord blood processing and storage facility in West Bengal and Eastern India. A general manager and marketing team have already been appointed. Marketing relationships have been established with a number of hospitals. Strategic operational and marketing plans are in place to expand in tandem to other cities such as New Delhi, Mumbai, Bangalore, Hyderabad, Chennai, and the surrounding second tier cities.

**China (Early stages)** – We recently announced a collaborative research exercise with Zhejiang Province Blood Centre, the first of a number of transactions which we hope to secure in China. A small team of senior executives, headed by our Chief Financial Officer, Jeremy Yee, has spent much time in China exploring opportunities over the past six months.

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## Summary

Our regional cord blood banking business is a high growth healthcare business. We are the only regional cord blood banking company. We have a proven business model that is scalable and a growing regional annuity revenue stream.