Cryosite Limited

ABN 86 090 919 476

Appendix 4D

Half year report

Six months ended 31 December 2006 ('current period')
and 31 December 2005 ('previous corresponding period')

Results for announcement to the market

				$A'000
Revenue from ordinary activities:	Up	42.0%	to	2,291
Profit from ordinary activities after tax attributable to members:	Up	N/A	to	107
Net profit for the period attributable to members:	Up	N/A	to	107

NTA backing	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	5.8 cents	4.4 cents

An explanation of the result of the current period is set out in the Directors Report contained in the attached audit reviewed half-year Financial Report.

Full Financial details of the Company are also contained in the attached audit reviewed half-year Financial Report

Dividends: It is not proposed that any dividend will be paid. No dividends were paid in the previous corresponding period.

CRYOSITE LIMITED

ABN 86 090 919 476

Half-Year Financial Report

31 December 2006

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Directors' Report

Your directors submit their report for the half-year ended 31 December 2006.

Directors

The directors of Cryosite Limited (the "company") in office during the half year, and until the date of this Report are set out below. Directors were in office for this entire period unless otherwise stated.

Richard Grellman - Chairman

Gordon Milliken - Managing Director

Theodore Onisforou - Non-executive Director

Professor Ronald Penny AO - Non-executive Director

Catherine Brenner – Non-executive Director (Appointed 28 September 2006)

Dr. Peter French - Non-executive Director (Resigned 4 September 2006)

Review of Operations

The group increased revenue during the half-year by 42% over the corresponding period last year to $2,290,963 (2005: $1,613,588). The increase in revenue resulted from both continued growth in all areas of the group's operations and the change in accounting estimates as disclosed in the previous year annual financial report (Refer Note 1(d)). The consolidated net profit for the period was $107,256 (2005: Loss $(410,205)).

Auditor's Independence Declaration

A statement of independence has been provided by our auditors, Ernst & Young, and follows this Director's Report on page 4.

Signed in accordance with a resolution of the directors.

Gordon Milliken
Managing Director

22 February 2007

ERNST & YOUNG

■ Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

■ Tel 61 2 9248 5555
Fax 61 2 9248 5959
DX Sydney Stock
Exchange 10172

Auditor's Independence Declaration to the Directors of Cryosite Limited

In relation to our review of the financial report of Cryosite Limited for the half year ended 31 December 2006, 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

Ernst & Young

Ian Campbell
Partner
Sydney
22 February 2007

Directors' Declaration

In accordance with a resolution of the directors of Cryosite Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity:

(i) give a true and fair view of the financial position as at 31 December 2006 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and 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

Gordon Milliken
Managing Director

22 February 2007

Condensed Income Statement

For the Half-Year ended 31 December 2006

	Notes	Consolidated	
		2006	2005
		$	$
Revenues	2	**2,290,963**	1,613,588
Expenses	2		
Costs of providing services		**(1,264,100)**	(979,985)
Finance costs		**(3,991)**	(4,830)
Marketing expenses		**(125,180)**	(152,496)
Occupancy expenses		**(187,753)**	(178,560)
Administration expenses		**(602,683)**	(707,922)
Profit(Loss) from operations before tax		**107,256**	(410,205)
Income tax expense		-	-
Profit(Loss) after tax from operations		**107,256**	(410,205)
Net Profit(Loss) attributable to members of parent		**107,256**	(410,205)

Earnings(loss) per share (cents per share)		
Basic earnings(loss) for the half-year	**0.2**	(1.0)
Diluted earnings(loss) for the half-year	**0.2**	(1.0)

Condensed Balance Sheet

As at 31 December 2006

	Consolidated	
	as at 31 December 2006	as at 30 June 2006
	$	$
ASSETS		
Current Assets		
Cash and cash equivalents	**1,465,563**	1,301,877
Trade and other receivables	**1,019,583**	1,072,558
Inventories	**34,222**	27,115
Prepayments	**140,686**	138,248
Total Current Assets	**2,660,054**	2,539,798
Non-current Assets		
Trade and other receivables	**1,577,059**	1,636,854
Plant and equipment	**825,995**	886,708
Intangible assets	**218,247**	50,484
Total Non-current Assets	**2,621,301**	2,574,046
TOTAL ASSETS	**5,281,355**	5,113,844
LIABILITIES		
Current Liabilities		
Trade and other payables	**792,268**	639,855
Unearned income	**233,887**	91,417
Total Current Liabilities	**1,026,155**	731,272
Non-current Liabilities		
Unearned income	**1,310,362**	1,546,599
Provisions	**24,361**	22,683
Total Non-current Liabilities	**1,334,723**	1,569,282
TOTAL LIABILITIES	**2,360,878**	2,300,554
NET ASSETS	**2,920,477**	2,813,290
EQUITY		
Contributed capital	**8,035,506**	8,035,575
Share option reserve	**180,185**	180,185
Accumulated losses	**(5,295,214)**	(5,402,470)
TOTAL EQUITY	**2,920,477**	2,813,290

Condensed Cash Flow Statement

For The Half-Year Ended 31 December 2006

	Notes	Consolidated 2006 $	2005 $
Cash flows from operating activities			
Receipts from customers		**2,552,243**	1,743,356
Payments to suppliers and employees		**(2,269,550)**	(1,970,451)
Finance income		**88,247**	58,224
Finance costs		**(3,991)**	(4,830)
Net cash flows from (used in) operating activities		**366,949**	(173,701)
Cash flows from investing activities			
Purchase of plant and equipment		**(25,369)**	(49,910)
Purchase of intangibles		**(177,825)**	-
Net cash flows (used in) investing activities		**(203,194)**	(49,910)
Cash flows from financing activities			
Share issue costs		**(69)**	-
Net cash flows (used in) financing activities		**(69)**	-
Net increase / (decrease) in cash and cash equivalents		**163,686**	(223,611)
Cash and cash equivalents at beginning of period		**1,301,877**	1,348,427
Cash and cash equivalents at end of period	8	**1,465,563**	1,124,816

Condensed Statement of Changes in Equity

For The Half-Year Ended 31 December 2006

	Attributable to equity holders of the parent			
CONSOLIDATED	Contributed capital $	Accumulated losses $	Reserves $	Total equity $
At 1 July 2005	7,815,715	(5,503,844)	166,001	2,477,872
Loss for the period	-	(410,205)	-	(410,205)
Amortisation of employee share based payments	-	-	13,128	13,128
At 31 December 2005	7,815,715	(5,914,049)	179,129	2,080,795
At 1 July 2006	**8,035,575**	**(5,402,470)**	**180,185**	**2,813,290**
Profit for the period	**-**	**107,256**	**-**	**107,256**
Share issue costs	**(69)**	**-**	**-**	**(69)**
At 31 December 2006	**8,035,506**	**(5,295,214)**	**180,185**	**2,920,477**

Notes to the Half-Year Financial Report

For The Half-Year Ended 31 December 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual 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.

The half-year financial report should be read in conjunction with the annual financial report of Cryosite Limited as at 30 June 2006.

It is also recommended that the half-year financial report be considered together with any public announcements made by Cryosite Limited and its controlled entity during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 applicable Accounting Standards, including AASB 134 “Interim Financial reporting” and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Summary of significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006.

(c) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Cryosite Limited and its subsidiary as at 31 December 2006 (“the Group”).

(d) Change in accounting estimates

Revenue – Rendering of services

A change to accounting estimates occurred during the year ended 30 June 2006. Full details of the change in accounting estimates are included in the 30 June 2006 Annual Report. The change to accounting estimates occurred during the second half of the 30 June 2006 financial year.

Notes to the Half-Year Financial Report

For The Half-Year Ended 31 December 2006

	Consolidated	
	2006	2005
	$	$
2. REVENUE AND EXPENSES		
Specific items		
Profit(Loss) before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:		
(i) Revenue		
Rendering of services	**2,195,750**	1,555,364
Finance income	**95,213**	58,224
	2,290,963	1,613,588
(ii) Expenses		
Depreciation & amortisation	**96,143**	163,334
Employee benefits	**671,254**	552,098
Expense of share-based payments	-	13,128

3. DIVIDENDS PAID OR PROPOSED

No dividends have been provided for or paid (2005:Nil).

4. ISSUED CAPITAL

Ordinary shares

There was no movement in ordinary shares on issue during the period.

5. CONTINGENT LIABILITIES

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

6. EVENTS AFTER THE BALANCE SHEET DATE

The directors are unaware of any event or transaction that has occurred between the last annual reporting date and the date of this report that may have a significant effect on the company.

Notes to the Half-Year Financial Report

For The Half-Year Ended 31 December 2006

7. SEGMENT INFORMATION

The company operates in one business segment, being biological services, and one geographic segment, being Australia.

8. ADDITIONAL INFORMATION

Reconciliation of cash

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the following at 31 December 2006:

	Consolidated	
	As at 31 December 2006	As at 31 December 2005
	$	$
Cash at bank and in hand	**156,521**	84,290
Short-term deposits	**1,309,042**	1,040,526
	1,465,563	1,124,816

ERNST & YOUNG

■ Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

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To the members of Cryosite Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying period financial report of Cryosite Limited and the entities it controlled during the period, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the period ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the period Financial Report

The directors of the company are responsible for the preparation and fair presentation of the period financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the period 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 period financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report 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 2006 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of Cryosite Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a period 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.

ERNST & YOUNG

■ **Ernst & Young Centre**
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

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Exchange 10172

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Cryosite Limited and the entities it controlled during the period, is not in accordance with:

(a) the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the period ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) other mandatory financial reporting requirements in Australia.

Ernst & Young

Ian Campbell
Partner
Sydney
22 February 2007