ASX RELEASE – Wednesday 31 October 2012

Chairman's Address to Shareholders at the Annual Meeting of Members held in Sydney on Wednesday 31 October 2012

Good morning ladies and gentlemen and welcome to the 2012 Annual General Meeting of shareholders of Cryosite Limited.

Firstly, I would like to introduce myself; my name is Andrew Kroger, Chairman of Cryosite. As you will be aware, this is my first Cryosite AGM as chairman, so it is a special day for that reason.
As you know, my job today is to provide you with a review of the company's results for last year, to highlight the areas of most interest, and most importantly to give you an insight into where the Board and management team believe the company is heading.

Firstly, I would like to focus on a review of last year's key financial indicators:

SALES:

The total sales revenue for the year was $7,757,568, an increase of over 20% on last year's figure ($6,432,973).

PROFIT:

The profit for the year was a record $1,022,497.This compares with $334,305 last year. So, it is fair to say that we are very pleased with the result, especially as the results were due to a general improvement in both segments of the business rather that as the results on any one-off event.

DIVIDEND:

One of the highlights of this year was in the company paying its first dividend. An interim dividend of 0.5 cents per share was paid in April and final dividend of another 0.5 cents per share was announced on 28 September 2012 was paid on 23 October 2012.

CASH:

Cash on hand at 30 June 2011 was $4,524,750 (2011: 2,910,943). Cash at 30 September was $4,827,958.

I would now like to briefly summarise the scope of Cryosite's services:

Cryosite provides a number of services that are aggregated into two market segments:

1. Biological Services, and

2. Warehousing and Distribution

Biological services include the private cord blood service, adult stem cell storage and biorepository management.

Warehousing and distribution includes the clinical trial logistics service, ATCC product distribution and other distribution services.

I would like to take some time now to focus on two areas in particular.

Firstly, the cord blood service. In 2001, Cryosite pioneered private cord blood storage in Australia, and was the first company to be TGA licensed. In May 2012 Cryosite once again demonstrated its commitment to innovation and quality by being the first private cord blood service to have TGA approval for the directed allogenic release of cord blood. Whilst this licence status is now not exclusive to Cryosite, we have continued to maintain a steady increase in cord blood storage clients as a result our leadership role in offering this service.

Cryosite is always on the lookout for new opportunities to evaluate new activities that can make use of the existing infrastructure and quality management system. We recently announced that Cryosite has entered in to collaboration with Regeneus, a Sydney-based regenerative medicine company to provide assistance in the preparation of in-clinic and off-the-shelf cell therapies for treating musculoskeletal and other inflammatory condition in humans and animals. I am pleased to confirm that Cryosite has successfully completed the initial validation steps in the process and is working towards a long-term agreement to provide cryogenic storage services.

The warehousing and distribution service continued to extremely well, particularly the clinical trial logistics service. One of highlights was in reaching the milestone in having over 400 active trials under management. Five hundred is the next target.

Cryosite has devoted considerable resources to establishing a reputation for the cold-chain management of biopharmaceuticals. Projects that involve this type of therapeutic product have much higher service demands when compared to small molecule, chemically-derived drugs and therefore yield much higher returns. We now have over 40% of all our clinical trials now in this category and we expect this trend to continue.

We have also mentioned previously that we have a strategy of leveraging our expertise in the clinical trial drug logistics into low-volume high-value commercial drugs. I am pleased to confirm that Cryosite was recently selected by a major international pharmaceutical company to manage the storage and distribution for a new therapeutic product that has extremely high demand as far as storage and shipping is required. We anticipate receiving the first batch of drug shortly.

Both the ATCC distribution and biorepository services made valuable contribution to the overall results.

BUSINESS GROWTH AND OUTLOOK

Whilst the take-up rate for private cord blood storage remains relatively low compared to the USA and most Asian countries, we are confident that Cryosite will continue to maintain its recent record number of new clients. Cryosite is also evaluating new, associated services that if successful, will lead to an increase in revenue and profits.

As far as the distribution service is concerned, we remain confident that we will enjoy more than acceptable growth in the clinical trial service and that the new commercial product distribution agreement will make a significant contribution to the results.

SHAREHOLDER SUPPORT

The Board and Management are grateful for the continuing support and interest in the company by the shareholders. We remain confident that the company is well positioned to take advantage of both the growth in research and biotechnology activity in Australia, and the increased acceptance of outsourcing of non-core logistics by organisations involved in research clinical trials in Australia and New Zealand.

Finally I would like to take this opportunity to thank the previous Chairman, Mr Theo Onisforou, for his years of hard work in nurturing and guiding Cryosite into the company it is today.

Without Theo’s involvement and guidance we would not be the company we are today.

Andrew Kroger

Chairman

31 October 2012