

July 10, 2008



## **Cryo-Cell International, Inc. Reports Second Quarter 2008 Results**

OLDSMAR, Fla., July 10 /PRNewswire-FirstCall/ -- Cryo-Cell International, Inc. (OTC Bulletin Board: CCEL) (the "Company"), one of the world's largest and most established family cord blood banks, today announced results for the second quarter and six months ended May 31, 2008.

Consolidated revenues for the second quarter were approximately \$4.5 million, remaining relatively flat, as compared to approximately \$4.5 million for the second quarter of 2007. The Company reported a net loss in the second quarter 2008 of approximately (\$356,000), or (\$0.03) per basic common share, compared to a net loss of approximately (\$1,403,000), or (\$0.12) per basic common share, in the second fiscal quarter of 2007. The decrease in the net loss in the second quarter of fiscal 2008 is primarily the result of a 25% decrease in marketing, general and administrative expenses. In addition, research and development expenses were approximately \$49,000 in the second quarter of 2008, a decrease of approximately 73% in comparison to the same period in 2007. Research and development expenses in 2008 represented expenses related to the development of the Company's new C'elle(R) menstrual stem cell technology.

The Company recognized approximately \$282,000 in licensee income for the second quarter of fiscal 2008, compared to approximately \$264,000 for the 2007 period. On March 17, 2008, the Company entered into a definitive License and Royalty Agreement with LifeCell International Private Ltd. ("ACCPL") to establish and market its C'elle(SM) preservation program in India. The non-refundable up-front license fee of \$250,000 is payable by ACCPL in installments. The first installment of \$100,000, net of taxes, was partially paid during the second quarter of 2008 and was recorded as licensee income during the period. The Licensee income for the 2007 period consisted of \$127,440 received as an installment payment from the non-recurring sale of the India license agreement for the Company's U-Cord(R) service and \$136,784 of royalty income earned on the subsequent processing and storage of specimens in geographical areas where the Company has license agreements relating to cord blood services, and from the sale of sub-license agreements by licensees.

Consolidated revenues for the six month period ended May 31, 2008 were approximately \$8.7 million as compared to approximately \$8.6 million for the six months ended May 31, 2007. The Company reported a net loss for the six months ended May 31, 2008 of approximately (\$603,000), or (\$0.05) per basic common share, compared to a net loss of approximately (\$2,190,000), or (\$0.19) per basic common share, for the six months ended May 31, 2007. The decrease in the net loss for the six months ended May 31, 2008 is primarily the result of a 21% decrease in marketing, general and administrative expenses. In addition, research and development expenses were approximately \$94,000 for the six months ended May 31, 2008, a decrease of approximately 70% in comparison to the same period in 2008.

The Company recognized approximately \$465,000 in licensee income for the six months ended May 31, 2008, compared to approximately \$552,000 for the 2007 period. Licensee income for the six months ended May 31, 2008 consisted of the first installment of \$100,000, net of taxes, from the sale of the C'elle license and royalty agreement with ACCPL, as described above. The remaining \$375,185 is royalty income earned on subsequent processing and storage of specimens in geographical areas where the Company has license agreements, and from the sale of sub-license agreements by licensees. Licensee income for the 2007 period consisted of \$254,880 received as an installment payment from the non-recurring sale of the India license agreement for the Company's U-Cord(R) service and \$297,339 of royalty income earned on the subsequent processing and storage of specimens in geographical areas where the Company has license agreements relating to cord blood services, and from the sale of sub-license agreements by licensees.

As of May 31, 2008, the Company had approximately \$4.2 million in available cash, cash equivalents, marketable securities and other investments. The Company had no long-term debt at the end of the quarter.

"We continue to be encouraged by Cryo-Cell's improved performance in the second quarter of 2008. In accordance with our long-term strategic plan, we believe that the Company is showing significant progress with the launch of our new product, C'elle, combined with the realization of significant operating efficiencies that have resulted in year over year expense reductions of 21% in the first half of fiscal 2008," stated Mercedes Walton, Chairman and Chief Executive Officer. "In 2006, following nine consecutive quarters of profitability spanning the first quarter of 2004 through the second quarter of 2006, Cryo-Cell's Board of Directors made the deliberate decision to forsake continued near-term profitability in order to invest in the long-term growth of our business. During the first half of fiscal 2008, Cryo-Cell has demonstrated continuing progress towards profitability and we anticipate future progress in 2008 and beyond based on our solid platform as an industry leader of innovative stem cell solutions."

"Notwithstanding formidable challenges facing our business associated with the overall impact of the domestic economy on discretionary consumer and family spending, intensified industry competition and the cost of new product development, Cryo-Cell has now introduced a highly differentiated new service in the U.S. and is making significant progress toward introducing the new service in the global market place based on our expansive intellectual property portfolio. In parallel, the Company has also achieved impressive reductions in marketing, general and administrative expenses." Walton continued, "Our recent agreement with LifeCell International Private Ltd. for the license of C'elle technology in India and potentially four neighboring countries further expands the Company's global footprint in Southeast Asia and also reflects growing worldwide interest from both existing Cryo-Cell affiliates and new prospective partners who are keenly eager to introduce C'elle in a broad and diverse range of geographic markets. We anticipate that emerging revenue channels from C'elle technology licenses; processing and storage royalties; and global product distribution may favorably impact the Company's balance sheet over time. At this juncture, we are very pleased with Cryo-Cell's progress and we believe that the Company is well positioned to deliver increased shareholder value in the coming periods."

Based in Oldsmar, Florida, with over 155,000 clients worldwide, Cryo-Cell is one of the largest and most established family cord blood banks. ISO 9001:2000 certified and

accredited by the AABB, Cryo-Cell operates in a state-of-the-art Good Manufacturing Practice and Good Tissue Practice (cGMP/cGTP)-compliant facility. Cryo-Cell is a publicly traded company. OTC Bulletin Board Symbol: CCEL. Expectant parents or healthcare professionals may call 1-800-STOR-CELL (1-800-786-7235) or visit <http://www.cryo-cell.com>. For more information about C'elle visit <http://www.celle.com>.

### Conference Call Details

The company will also host a conference call, to discuss the firm's results and mid-year progress, at 04:30 pm ET. Those wishing to listen to the call can access it toll free in the U.S. at 719-325-4778 and internationally on 877-719-9791 with conference call ID 5857814. Please dial-in at least 10 minutes prior to the start of the call to ensure connection.

The conference call will also be accessible through Cryo-Cell's Web site at [http://www.cryo-cell.com/investor\\_relations/](http://www.cryo-cell.com/investor_relations/). For those unable to listen to the live broadcast of the call, a replay will be available on the Cryo-Cell Web site starting approximately two hours after the completion of the conference call, through July 24, 2008.

### Forward-Looking Statement

Statements wherein the terms "believes", "intends", "projects" or "expects" as used are intended to reflect "forward-looking statements" of the Company. The information contained herein is subject to various risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such forward-looking statements or paragraphs, many of which are outside the control of the Company. These uncertainties and other factors include the uncertainty of market acceptance of any potential service offerings relating to types of stem cells other than cord blood stem cells, including the C'elle service, given that menstrual stem cells and other new stem cells have not yet been used in human therapies, and treatment applications using such stem cells are not likely to be developed and commercialized for many years and are subject to further research and development and publication of scientific research; the need for additional development and testing before determining the ultimate commercial value of the Company's intellectual property relating to the menstrual stem cells; the need to complete certain developments, including completion of clinical validation and testing, before any new process other than the C'elle service can be commercialized, and to complete the Company's development of its final business and economic model in offering any such service; the need for continued significant marketing expenditures in connection with the umbilical cord blood stem cell business; any adverse effect or limitations caused by recent increases in government regulation of stem cell storage facilities; any increased competition in our business; any decrease or slowdown in the number of people seeking to store umbilical cord blood stem cells or decrease in the number of people paying annual storage fees; any adverse impacts on our revenue or operating margins due to the costs associated with increased growth in our business, including the possibility of unanticipated costs relating to the operation of our new facility; any technological breakthrough or medical breakthrough that would render the Company's business of stem cell preservation obsolete; any material failure or malfunction in our storage facilities; any natural disaster such as a tornado, other disaster (fire) or act of terrorism that adversely affects stored specimens; the costs associated with defending or prosecuting litigation matters and any material adverse result from such matters; decreases in asset valuations; any negative consequences resulting from deriving, shipping and storing specimens at a second location; and other risks and uncertainties. The foregoing list is not

exhaustive, and the Company disclaims any obligations to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements. Readers should carefully review the risk factors described in other documents the Company files from time to time with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K filed by the Company.

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