

China Cord Blood reports 31.9% rise in revenues

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Singapore: China Cord Blood, China's leading provider of cord blood collection, laboratory testing, hematopoietic stem cell processing, and stem cell storage services, reported its preliminary unaudited financial results for the first quarter (Q1) of fiscal year (FY) 2013, which ended on June 30, 2012.

Revenues for the first quarter of fiscal 2013 increased by 31.9 percent to \$18.2 million. New subscriber sign-ups and accumulated subscriber base were 16,460 and 256,214, respectively. Gross profit increased by 34.5 percent \$14.3 million. Operating income jumped by 44.4 percent to \$7.0 million and operating margin expanded by 3.3 percentage points to 38.5 percent, as core operations benefited from economies of scale.

Interest expense increased to \$1.6 million as a result of the convertible note issued to KKR China Healthcare Investment Limited in April 2012. In the absence of the dividend income from investment in Shandong Cord Blood Bank; discrete tax benefit of Guangdong subsidiary; and the first-time interest expense in relation to the convertible note that was issued in April 2012, net income attributable to shareholders decreased by 22.3 percent to \$4.9 million. Operating cash flow for the quarter amounted to \$21.5 million.

Ms Ting Zheng, chairperson and CEO, China Cord Blood Corporation, said that, "Not only are we setting new records based on revenues and operating income, but we are also gaining higher cash flows generated from increasing numbers of subscribers who chose to pay full-term storage fees upfront. Benefiting from the current Dragon Year baby boom, we are extremely excited about the results in this fiscal year."

Ms Zheng further commented that, "As we remain committed to increasing long-term shareholder value, the management team and I are encouraged to have had the board of directors authorize an increase in our annual share repurchase program from \$15 million-to-\$20 million, effective August 1, 2012. During the first quarter of fiscal 2013, the company repurchased approximately 1.7 million ordinary shares and these shares were held by the company as treasury stock."