

U.S. Securities And Exchange Commission  
Washington, D.C. 20549

FORM 10-KSB

ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934.

For the fiscal year ended NOVEMBER 30, 1996.

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT  
OF 1934.

Commission File Number 000-23386

CRYO-CELL INTERNATIONAL, INC.  
-----

(Name of Small Business Issuer in its charter)

DELAWARE  
-----

(State or other jurisdiction  
of incorporation or  
organization)

22-3023093  
-----

(I.R.S. Employer  
Identification No.)

604 PACKARD COURT, SAFETY HARBOR, FL 34695  
(Address of principal executive offices) (Zip Code)

Issuer's telephone number: (813) 938-3114  
-----

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Name of each exchange on which registered
NONE	-----

Securities registered pursuant to Section 12 (g) of the Act:

COMMON STOCK, PAR VALUE \$.01 PER SHARE  
-----  
(Title of class)

Check whether Issuer: (1) has filed all reports required to be filed by section 13 or 15 (d) of the Securities and Exchange Act of 1934 during the past 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Rule 405 of Regulation S-K is not contained herein, and will not be contained, to the best of issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form or any amendment to this Form 10-KSB

Issuer's Revenues for its most recent fiscal year: \$2,669,616.

As of February 7, 1997, the aggregate market value of the voting stock held by non-affiliates of the Issuer was approximately \$24,960,160. The market value of Common Stock of the Issuer, par value \$0.01 per share, was computed by reference to the average of the closing bid and asked prices of the Issuer's Common Stock on such date which was 4 7/8.

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes  No .

The number of shares outstanding of the Issuer's Common Stock, par value \$0.01 per share, as of February 7, 1997: 7,151,984.

DOCUMENTS INCORPORATED BY REFERENCE

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-KSB (e.g. Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ("Securities Act"). The list documents should be clearly described for identification purposes (e.g. annual report to security holders for fiscal year ended December 24, 1990).

Documents incorporated by reference: The information required by Part

III of Form 10-KSB is incorporated by reference to the Issuer's definitive proxy statement relating to the 1997 Annual Meeting of Shareholders which is expected to be filed with Securities and Exchange Commission on or about March 30, 1997.

Transitional Small Business Disclosure Format (check one):  
Yes [ ] ; No [X]

2

#### FORWARD LOOKING STATEMENTS

In addition to historical information, this report contains forward-looking statements within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the section entitled "Management's Discussion and Analysis or Plan of Operation -- Factors That May Affect Future Results and Market Price of Stock." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. CRYO-CELL International, Inc. (the "Company") undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. 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 Quarterly Reports on Form 10-Q to be filed by the Company in 1997 and any Current Reports on Form 8-K filed by the Company.

#### PART I

##### ITEM 1. DESCRIPTION OF BUSINESS

###### INTRODUCTION

CRYO-CELL International, Inc., a Delaware Corporation, incorporated on September 11, 1989, is engaged in cryogenic storage and the design and development of cryogenic storage devices used in its storage programs. During the period since its inception, the Company's activities have principally involved the design and development of its cellular storage unit ("CCEL Cellular Storage Unit") and related items, in securing patents on the same, in initiating the development of a cellular banking network which the Company refers to as its Lifespan/service mark/Program (described below in more detail).

The Company believes that the cellular storage unit will provide the user with an improved ability to store cells or other material in liquid nitrogen, its vapors or other media. The unit is controlled by a computer system which automatically inserts vials in pre-selected storage areas inside the chamber. Additionally, the stored material can be automatically retrieved by computer and removed from the cellular storage unit on an individual basis without room temperature air entering the chamber and affecting the other stored specimens. The Company is the assignee of all patents on the units.

###### BACKGROUND

Nearly fifty years ago researchers discovered that cells could be cryopreserved at a low temperature state in which all cellular activity would cease until the specimens were thawed i.e. cryopreservation. Historically, cryopreservation was required for organ transplants, blood banks and medical research. Today cryopreservation is an integral component of evolving cellular therapies.

3

###### CELL BANKING

Stem cells are the main ingredient found in bone marrow. Stem cells can be kept alive in a cryogenic environment and then infused into a patient. They can be returned to the individual from whom they were taken (autologous) or donated to someone else (allogeneic). The opportunity to use an individual's own marrow for a transplant is dependent upon whether the cancer has entered the marrow system (metastasized). Otherwise, a marrow donor needs to be identified to provide the needed bone marrow. The availability of a marrow donor or stem cell specimen allows physicians to administer larger doses of chemotherapy or radiation in an effort to eradicate the disease.

Stem cells can be found in umbilical cord and placenta blood ("cord blood stem cells") which can be collected and stored after a baby is born. Recent advances have provided the techniques to separate the stem cells found in these two sources. As of the end of 1996, over 300 (compared to approximately 100 at the end of 1995) cord blood transplants have been performed. The Company believes that parents will want to save and store these cells for potential future use by their child. These stem cells could also have a 1 in 4 chance of

being compatible for use by a sibling.

The Company believes that the market for cord blood stem cells is enhanced by the current focus on reducing prohibitive health care costs. With the increasing costs of bone marrow matches and transplants, individuals now can store their cells as a practice of preventative medicine. The ability to store these cells not only provides advantages to the people storing their own cells, but through donations, cellular storage can supplement the current efforts of the bone marrow registries by increasing the number of donors available and, accordingly, the chances of a successful match if a transplant is ever necessary.

Another significant application for cellular storage is the storage of cancerous tumor tissue taken from a newly diagnosed patient prior to commencing treatment. This tissue could serve several functions in support of the treatment process. First, it may provide a vehicle for the doctor to test the effects of a proposed course of treatment on the diseased tissue prior to administering it to the patient. Secondly, the effects of a course of treatment could be monitored by comparing tumor cells gathered after the treatment to those stored from prior to the commencement of treatment.

Sperm storage is another potential use of the Company's unit. Male cancer patients of child bearing age can store sperm to protect their ability to have children in the event they are rendered impotent due to chemotherapy or radiation treatment. The database of stored specimens is designed to improve the identification process which could provide greater assurance that the correct sperm cells are retrieved.

New medical technology is constantly evolving which may provide new uses for cryopreserved cord blood stem cells.

#### CCEL CELLULAR STORAGE UNITS

Currently available units from other providers of cryopreservation systems are manually operated and can expose the laboratory technician to liquid nitrogen when inserting or retrieving specimens and can expose the remaining stored specimens to ambient temperature. CRYO-CELL has designed and holds patents on a system which the Company believes makes use of the latest in computer and robotics technology. This can eliminate some of the major shortcomings of the current units.

The Company's technology involves patented, multi-faceted cellular storage units. The Company believes its technology provides an improved method for storing human cells, such as cord blood and peripheral stem cells, cancer cells, sperm and other cells in liquid nitrogen and/or liquid nitrogen vapor or other media conducive to short or long-term cellular storage.

4

The unit is currently assembled by an independent manufacturer utilizing the Company's patented design. A production prototype is currently awaiting voluntary approval by Underwriters Laboratories ("U/L") and, accordingly, is not currently operating. The Company's current plans are not to utilize its cellular storage units in hospitals until it receives U/L approval.

There can be no assurance that the Company's cryopreservation technology will accomplish its intended goals and function in an operational setting in the manner as intended.

To harvest the umbilical cord stem cells, the delivering Physician or one of their staff removes the blood from the umbilical cord and the placenta utilizing the Umbilical Cord Blood Collection Kit ("Kit") developed by CRYO-CELL. The Kit contains everything needed to collect specimens, including both instructions for the medical professional and for delivery of the specimens to the Lifespan /service mark/ center. The Kit is being manufactured by an independent organization and provided to the client as part of the collection fee.

#### LIFESPAN/service mark/CENTERS

A key factor of the CRYO-CELL business strategy is its Lifespan /service mark/Cellular Banking Network program. Under the Lifespan/service mark/program, the Company provides the technology, equipment and maintenance to the medical facility without charge. The Lifespan/service mark/participant provides the space and utilities, liquid nitrogen supply, technician, etc. CRYO-CELL will be responsible for the billing activities. Typically, the revenues from a Lifespan/service mark/project will be divided 75% to the Company and 25% to the Lifespan/service mark/participant. This arrangement enables the Lifespan/service mark/facility to expand their cellular storage capabilities, offer new services and create a source of ongoing revenue.

CRYO-CELL established a Lifespan/service mark/Center in 1996 at the Illinois Masonic Medical Center in Chicago which is a World Health Organization ("WHO") Collaborating Center for Prevention of Genetic Disorders. The Company is storing the Lifespan/service mark/Center's specimens in a standard CryoMed

unit.

In the future, it is the intention of the Company to link the various CRYO-CELL ("CCEL") units throughout the country through a communications network. Through the Lifespan/service mark/Network, locating a specimen will be a simple and efficient procedure, because any computer system on the network would be the gateway to the entire network. This could reduce costs for the patient when compared to the average cost of locating a bone marrow donor.

The Company's strategic plan is to develop an international cellular banking network based on its patented technologies. The Company is focusing on building alliances through its Lifespan/service mark/Program as well as its Revenue Sharing Program with university/medical centers and medical organizations.

There can be no assurances as to the success of the Lifespan/service mark/program or the Company's ability to develop the communication network.

#### MARKETING CELLULAR STORAGE SERVICE

Over 4.4 million babies are born in the United States annually. The Company has targeted the stem cell cryopreservation market as its initial focus.

News media covering stem cell transplants serves to educate expectant parents about the benefits of storing cord blood stem cells for future medical benefits. Because the technology is new and evolving, the over 300 transplants conducted to date have attracted media attention. Furthermore, articles have appeared in popular newspapers and journals prompting expectant parents to call the Company, hospital or university and obtain information regarding storing their child's stem cells. The Company believes

5

that future stem cell transplants and medical updates will attract media attention to this life saving technology. This form of marketing comes at minimal cost to the Company.

CRYO-CELL has established a Medical & Scientific Advisory Board composed of 25 researchers, physicians and scientists from various fields such as oncology, stem cell research, hematology, genetic research, assisted reproduction and other specialties. Many of the Company's Advisory Board members are heads of their departments and are committed to cellular storage as part of new services to improve patient care and save lives. As various Lifespan/service mark/sites are implemented, the Board members have expressed interest in conducting educational seminars for their peers at the Lifespan/service mark/facility and other facilities to promote public awareness.

CRYO-CELL has developed a series of videos demonstrating the CCEL Cellular Storage Unit and showing the Medical & Scientific Advisory Board having their first annual meeting. As the CCEL units are delivered and prior to commencing the cellular storage program, the Company intends to develop a series of specialized videos along with an information kit which will be sent to physicians and care givers in the local area. This will serve to educate individuals as to the services available.

The Company's marketing plan includes a video library which will contain news segments that have specifically revolved around the CCEL unit as well as a more general library of news segments discussing the benefits of storing cord blood. Additionally, CRYO-CELL maintains a database of newspaper articles relating to cellular storage.

The Company markets its cellular banking services by targeting expectant parents through direct information to obstetricians, pediatricians, Lamaze instructors, childbirth educators, certified nurse-midwives and other related healthcare professionals. In addition, the Company exhibits at conferences, trade shows and other media which focus on the expectant parent market.

#### REVENUE SHARING AGREEMENTS

ARIZONA. As of February 28, 1995, the Company entered into a Revenue Sharing Agreement with two private investors. The revenue interest entitles the investors to a 50% share of the Net Revenues (defined as the revenues after expenses for running the Lifespan/service mark/Program) from all cellular storage activities in Arizona. In exchange, the Company received a total of \$1,800,000 in negotiable demand notes to be paid in 25% annual installments (\$450,000 plus interest at prime rate) annually, commencing April 30, 1996.

In January, 1996, the notes were restructured to provide for an accelerated payment of the \$450,000, originally due April 30, 1996, to January of 1996. This was in exchange for the payment of future amounts to be due and payable out of revenues generated from the Lifespan/service mark/Program. Since the restructuring made the repayment of the \$1,350,000 note based upon future revenue, the Company does not carry the note as a receivable and has not recorded this portion of the income.

ILLINOIS. In 1996, the Company signed a series of agreements with a group of investors entitling them to a 50% share in CRYO-CELL's portion of net revenues generated by the Cellular Storage Unit located in the Illinois Masonic Medical Center.

Bio-Stor. On April 12, 1996, the Company signed a Revenue Sharing Agreement with Bio-Stor International, Inc. ("Bio-Stor"), of Red Bank, New Jersey. Under the terms of the agreement, Bio-Stor is to pay CRYO-CELL \$1,000,000 for revenue sharing on 30,000 cellular storage half-spaces on an ongoing basis "To date" \$900,000 has been received. The agreement also provides Bio-Stor an option to increase their permanent agreement to cover 150,000 cellular storage half-spaces for an additional \$4,000,000. Bio-Stor was formed for the purpose of being involved in multi-faceted cellular storage. The agreement has been extended until October 12, 1997, to permit Bio-Stor to seek an underwriting for an initial public offering in order to exercise their option. The extended agreement now covers 33,000 half-spaces per unit

6

or 165,000 half-spaces in total.

ORNDA HEALTHCARE CORPORATION. On November 30, 1996, the Company signed dual joint venture agreements with OrNda HealthCorp, a Nashville based chain of 50 hospitals. Under the terms of the Lifespan/service mark/segment of the agreement, CRYO-CELL will provide OrNda, the use of two CRYO-CELL patented Cellular Storage Units, each with an approximate 35,000 storage capacity. In addition to OrNda receiving 25% of the \$50 per specimen annual cellular storage fees, CRYO-CELL will provide "pro-bono" spaces within units for important research in cryopreservation of stem cells for the future medical benefit of OrNda's patients. In addition to the Lifespan/service mark/agreement, two "one-third" Revenue Sharing Agreements were purchased in which OrNda agreed to pay CRYO-CELL \$666,666.

Subsequent to the Company's fiscal year end at November 30, 1996, OrNda completed its payment of \$666,666 to the Company.

GAMIDA-MEDEQUIP. On November 27, 1996, the Company announced that an agreement had been signed with Gamida-MedEquip, Ltd. for exclusive rights to operate a Lifespan/service mark/cellular storage facility in Israel. The terms of the agreement provide for Gamida to retain the first 10% of all gross revenues to be applied toward the cost of operations. Thereafter, CRYO-CELL will receive:

50% on the first US \$1,000,000 gross revenues  
45% on \$1,000,001 to \$1,500,000 gross revenues  
40% on \$1,500,001 to \$2,000,000 gross revenues  
35% on \$2,000,001 to \$2,500,000 gross revenues  
30% on all revenues over \$2,500,000 gross revenues

These percentages are on annual gross revenues and will be recomputed according to the above revenue figures annually.

In addition, according to the terms of the agreement, CRYO-CELL will receive 50% of all licensing or Revenue Sharing Agreement fees generated by Gamida-MedEquip in Israel. CRYO-CELL will also receive a total of US \$500,000 for the Lifespan/service mark/agreement and unit lease.

Gamida will be responsible, at their expense, for all Lifespan/service mark/ Center operations, marketing activities in Israel as well as training their technicians in the United States. CRYO-CELL will also receive a portion of the revenues from the allogeneic cell bank which will be initiated by Gamida-MedEquip in Israel.

Gamida is currently involved in the distribution of products and/or services in Israel for such leading companies as Baxter Healthcare, Pacesetters (St. Jude), Polystan, Gish Biomedical, Sequus USA, JMS Japan and Elekta Germany.

SACHEM CORPORATE FINANCE, LTD. On February 18, 1997, subsequent to the end of the Company's most recent fiscal year end, the Company announced that it had sold two Single Unit Revenue Sharing Agreements for \$2,000,000 to an associate firm of Sachem Corporate Finance, Ltd.

The agreement covers revenue sharing in two units to be located in CRYO-CELL Lifespan/service mark/sites in the United States. A \$400,000 non-refundable deposit was paid to CRYO-CELL in the form of 100,000 shares of a NASDAQ small cap stock at a market value slightly in excess of \$400,000 at the time of the transaction. The \$1.6 million cash balance is due in full by May 31, 1997. Upon receipt of the entire

7

\$2,000,000 on a timely basis, CRYO-CELL has granted Sachem the right to purchase an additional three Single Unit Partnerships for \$3,000,000. These must be outside the U.S. and could include Australia, where CRYO-CELL has recently received a patent for its cellular storage technology.

After the full \$2,000,000 payment has been made, Sachem, which is headquartered in London, England, will be granted a 10% management equity position in CRYO-CELL's planned European operation. While Sachem will be active in European expansion, William C. Hardy, President and Chief Operating Officer of CRYO-CELL, will assist in the development of the overseas management team. Mr. Hardy has extensive contacts overseas, having served as Chief Executive Officer of the North American division of Arjo, Inc., a Scandinavian company.

The Company can give no assurances as to the time it will take to develop an international cell banking network or if such a network will prove profitable.

#### PATENTS

The Company has been granted patents with respect to its cellular storage unit. In addition the Company has filed several additional United States and foreign patents. There can be no assurances, however, that the pending patent applications will be issued as patents or, if issued, that the patents will provide the Company with significant protection against competitors. The Company has made application for the Lifespan/service mark/service mark.

#### COMPETITION

The Company is aware of several competitors in the marketplace. Each of these companies charges a considerably higher price for its service than CRYO-CELL. The Company believes it will be able to successfully compete due to its patented computer controlled cellular storage unit which will provide a much greater secure storage capacity than is available with existing equipment. There can be no assurance, however, that any patented technology will afford the Company commercially significant advantage over existing or potential competitors. Moreover, there can be no assurance that alternative methods for cryopreservation will not be developed by someone with far greater resources that would compete with the Company's cryogenic unit.

#### RESEARCH AND DEVELOPMENT

The Company has expended \$111,499 during 1996 and \$129,939 during 1995, on research and development which was spent on the development and refinement of the production version of the cellular storage unit. The Company does not anticipate that any of these costs will be borne by customers.

#### GOVERNMENT REGULATION

Since inception of the development of the unit, it has been the opinion of management and legal counsel that the CCEL Cellular Storage Unit is a class I device and falls under the Food and Drug Administration's (FDA) regulations at 21 C.F.R. ss. 862.2050 ("general purpose laboratory equipment labeled and promoted for a specific medical use"). Devices regulated under 21 C.F.R. ss. 862.2050 are specifically exempt from the 510(k) notification requirements. There is no assurance that in the future the FDA would not classify the unit as a class II device requiring the Company to file for an equivalency in order to be able to continue commercial use of the unit.

If the Company is required to file for equivalency to existing equipment, the notification under section 510(k) of the Federal Drug Act will include statements that the cellular storage units for cryopreservation are substantially equivalent to cryopreservation units on the market prior to the enactment of the Medical Device Amendments of 1976. Total review time, according to statistics

published in MDDI Reports (Medical Devices, Diagnostics & Instrumentation) by F-D-C- Reports Inc., for all 510(k)s approved by the FDA as of October 19, 1995, was 135 days, on average, with 1/2 being completed in 91 days or less. If the cryopreservation unit is so accepted as substantially equivalent by the FDA, marketing can continue. There is no assurance that the FDA will allow an equivalency.

In the event that the cryogenic unit is not accepted as substantially equivalent by the FDA it would require the Company to develop significant test data proving the reliability of the unit which would take a significant amount of time. Also, there can be no assurance that the Company will be granted the right to produce the unit for distribution in the U.S. or that if it is granted the right, it will be accomplished in a time frame that will not negatively impact the potential future revenue of the Company.

## EMPLOYEES

At present there are 9 employees on the staff of the Company. Daniel D. Richard serves as the Chairman of the Board and Chief Executive Officer. William C. Hardy serves as President and Chief Operating Officer. Additional employees and staff will be hired on an "as needed" basis. The Company believes its relationship with its employees to be excellent and therefore does not contemplate any labor disputes.

## NET/TECH INTERNATIONAL, INC.

CRYO-CELL owns 2,037,929 shares of Net/Tech International, Inc. common stock (Net/Tech NASD Bulletin Board symbol...NTTI) which represents 36% of the outstanding shares (5,697,212 shares total) of this company. Net/Tech has received a patent for a Hygiene Guard hand washing system. This system will monitor whether employees have washed their hands after using the restroom facilities prior to returning to their workplace. In addition, the officers and directors of the Company own 431,167 shares of Net/Tech stock (7.6%). Net/Tech activities to date have been limited to purchasing the technology and acquiring hand made prototypes and applying for patent protection. Net/Tech as a company faces all the risk of a new business venture. Net/Tech believes its products will be useful in addressing disposal problems in the medical and food industries. Several Directors of the Company are currently members of the Board of Directors of Net/Tech, and therefore, the Company takes an active role in the major decisions of Net/Tech.

## ITEM 2. DESCRIPTION OF PROPERTY

The Company is renting office space on a short term lease through mid 1997 in Safety Harbor, Florida. Subsequent to the balance sheet date, the Company entered into a long term lease on a new, free-standing headquarters building containing 7,500 square feet. The facility will contain executive offices, conference and training center, testing and typing laboratory, cellular storage facilities and supporting areas and is expected to be occupied in the summer of 1997.

## ITEM 3. LEGAL PROCEEDINGS

The Company has never been named as a defendant in any lawsuit.

In July of 1996, the Company filed suit in the Superior Court of the State of California, in San Francisco, naming Cord Blood Registry, Inc., Jesse Kramer, David T. Harris, The Board of Regents University of Arizona and other defendants. The multi-count lawsuit, seeking millions of dollars in damages, alleges among other things: breach of contract, fraud and deceit, misrepresentation, unfair competition, and trade libel. In addition, the Company seeks damages, including punitive damages, resulting from the alleged misappropriation of funds belonging to CRYO-CELL in connection with

9

cellular storage by its customers.

The Company believes the suit has merit and the allegations can be proven. It has been established that the defendants have contractually indemnified each other. Their contract stipulates an insurance program which covers "the defendants' wrongful use of CRYO-CELL's material and interference of a legitimate business arrangement between CRYO-CELL and the University of Arizona". Litigation is proceeding.

## ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

10

## PART II

## ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock has been trading on the Over-The-Counter market since January 10, 1991, the date of the Company's initial public offering. The following table shows, for the calendar periods indicated, the high and low closing bid quotations for the Company's common stock as reported by the Dow Jones Retrieval Service. The quotations represent inter-dealer prices without retail mark-up, mark-down or commission and may not represent actual transactions.

	HIGH ----	LOW ---
1995		
- ----		
February 28, 1995	5	1 3/4
May 31, 1995	6 7/8	3 1/8
August 31, 1995	5 3/8	2 3/4
November 30, 1995	3 3/4	1 3/8
1996		
- ----		
February 29, 1996	3 1/2	3 1/8
May 31, 1996	5 1/2	4 3/8
August 31, 1996	6 1/4	5 3/4
November 30, 1996	4 1/8	3 15/16

In January of 1997, the Company's stock began trading on the NASDAQ Small Cap market.

The Company has not declared any cash dividends on its common stock and does not expect to do so in the near future.

As of January 31, 1997, the Registrant had 386 shareholders of record, and management believes there are approximately 750 additional beneficial holders.

#### ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion and analysis of the financial condition and results of operations of the Company for the two years ended November 30, 1996, should be read in conjunction with the financial statements and related notes as well as other information contained in this Annual Report on Form 10-KSB.

##### GENERAL

The Company is engaged in cellular storage and the design of cryogenic storage devices used in its storage programs. The Company has been financed primarily through both the private and public equity markets.

The revenue recognized to date has been almost exclusively from the sale of Revenue Sharing Agreements which has become part of the Company's planned principal operations. The Company's shift to a greater reliance on sale of Revenue Sharing Agreements is responsible for its emergence from a development stage enterprise.

11

##### RESULTS OF OPERATIONS

**SALES.** For the year ended November 30, 1996, the Company had revenues of \$2,669,616 compared to \$500,000 in the prior fiscal year. The increase reflects the sale of a greater number of Revenue Sharing Agreements than in the prior period. Storage revenues in 1996 were minimal.

**COST OF SALES.** In the fiscal year ended November 30, 1996, cost of sales were \$292,708 while there was no cost of sales recorded in the prior year. This increase represents the assignment of a proportionate share of the value of equipment associated with the Revenue Sharing Agreements to cost of sales.

**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.** Selling, general and administrative expenses during the twelve months ended November 30, 1996, were \$1,398,630 as compared to \$710,025 in 1995. The increase reflects the expense of market development, lab operations support and client services associated with the Lifespan/service mark/Centers and Revenue Sharing Agreements, the expense of voluntary regulatory approval for the Company's cellular storage unit, continued product development, and the establishment of an expanded management team to handle the anticipated growth.

**LOAN SETTLEMENT EXPENSE.** Loan settlement expense during the twelve months ended November 30, 1996, was \$95,251 as compared to \$240,428 in 1995. These two figures represent final adjustments associated with the conversion of a loan to Net/Tech International, Inc. into Net/Tech common stock.

**RESEARCH AND DEVELOPMENT EXPENSES.** Research and Development expenses during the twelve months ended November 30, 1996, were \$111,499 as compared to \$129,939 in



1995. The reduction of \$18,440 reflects lower spending since the Company's second generation cellular storage unit is into production.

OTHER. During the twelve months ended November 30, 1996, the Company realized a gain of \$150,000 on the sale of common stock of Net/Tech International, Inc. There was no similar gain in 1995. During fiscal 1996 the Company wrote off \$146,506 for patents no longer considered necessary by the Company. There was not a similar write-off in 1995. During fiscal 1996, the Company recognized the equity in the loss of its unconsolidated affiliate (Net/Tech International, Inc.) of \$79,629 as compared to zero in the 1995. The Company recognized a provision for income taxes of \$38,064 in 1996 as compared to zero in 1995. The Company utilized approximately \$774,000 of tax loss-carryforward in 1996.

MATERIAL FOURTH QUARTER ADJUSTMENTS. The results for the fourth quarter ending November 30, 1996, include the following adjustments: (1) the assignment of a proportionate share of cellular storage unit cost to the related Revenue Sharing Agreement revenue (cost of sales expense of \$292,708), (2) the abandonment of patents no longer considered necessary (added \$146,506 to Other Expense), and (3) the reversal of \$200,000 of revenue recognized in the prior quarter since it is dependent on a contingent event. Taken together, these fourth quarter adjustments had a significant adverse effect on fourth quarter earnings.

#### LIQUIDITY AND CAPITAL RESOURCES

At November 30, 1996, the Company had cash and cash equivalents of \$1,079,531 as compared to \$11,536 at the end of fiscal 1995. The significant improvement in the Company's liquidity primarily reflects increased profits from the sale of Revenue Sharing Agreements during fiscal 1996.

As noted earlier, the Company has been financed from inception primarily through both the private and public equity markets. In this way the Company has laid the foundation for further growth while at the same time it ended fiscal 1996 with no long term debt.

Subsequent to the balance sheet date, the Company entered into a seven year lease on a new, free-standing headquarters building containing 7,500 square feet. The facility will contain executive offices,

12

conference and training center, testing and typing laboratory, cellular storage facilities and supporting areas. Construction is expected to be completed in the summer of 1997. Annual lease commitments for the facility beginning in mid-fiscal 1997 are expected to be approximately \$120,000 per year. Capital expenditures related to the facility are anticipated to be approximately one-million dollars over the next several years.

The Company has six cellular storage units which have been funded thus far (original value \$900,000). In addition, the Company has twenty-eight units of blood separation equipment (original value \$1,000,000). Future capital expenditures are dependent on the rate at which the Company opens additional storage centers.

The Company anticipates that cash reserves plus cash flows from operations in fiscal 1997 will be sufficient to fund its growth and that cash flows from operations will depend primarily on the sale of additional revenue sharing agreements.

#### FACTORS THAT MAY AFFECT FUTURE RESULTS AND MARKET PRICE OF STOCK

The Company operates in a rapidly changing environment that involves numerous risks, some of which are beyond the Company's control. The following discussion highlights some of the risks the Company faces.

MARKET ACCEPTANCE FOR CRYOPRESERVED STEM CELLS. The cryopreserved stem cell market is a relatively new market and while the Company believes it will gain increasing popularity, there can be no assurance that the growth of this market will meet the Company's expectations.

ACCEPTANCE OF THE COMPANY'S CELLULAR STORAGE TECHNOLOGY. Although the Company believes that its patented cellular storage technology will be accepted, there can be no assurance that the Company's cryopreservation technology will function in an operational setting in the manner as intended or develop a profit center for the Company.

ABILITY TO SELL ADDITIONAL REVENUE SHARING AGREEMENTS. The Company's selling of Revenue Sharing Agreements has assisted it in ending this last fiscal year with no long term debt. The Company envisages an increasingly lesser reliance on these Agreements as storage revenue increases. However, Revenue Sharing Agreements will continue to play a key role in the Company's cash flow from operations for the foreseeable future. There can be no assurance that the

Company will be successful in continuing to market these Agreements.

POSSIBLE NEED FOR ADDITIONAL CAPITAL. The Company believes it will generate sufficient revenues to fund its operations. However, should the Company's sources of revenue, primarily the Revenue Sharing Agreements, not materialize as management anticipates, the Company may seek additional capital from public or private sources. There can be no assurance that such capital will be available or, if available, that the terms of its availability will not be adverse to the existing shareholders of the business.

COMPETITIVE ENVIRONMENT. In the Company's opinion, the potential life saving need for cryopreserved stem cells is likely to attract additional competitors in the market. The Company believes its storage technology edge will enable it to offer a more price-competitive service than its competitors. However, there can be no assurance that competitors with more financial and technical resources will not adversely affect the Company's business.

UNEVEN PATTERN OF QUARTERLY OPERATING RESULTS. The Company's revenue in general, and in particular its Revenue Sharing Agreement revenues, are difficult to forecast and can vary from quarter to quarter due to various factors, including (1) the relatively long sales cycles for these Agreements, and (2) the size and

13

timing of individual Agreement transactions. Accordingly, the Company's quarterly results are difficult to predict and delays can cause quarterly revenues and net income to fall significantly short of anticipated levels.

MANAGEMENT OF GROWTH. The Company anticipates rapid growth in capitalizing on the opportunity in cryopreserved stem cells. The Company's future operating results will depend on management's ability to manage growth, continuously hire and retain qualified employees, forecast revenues and control expenses. An unexpected decline in the growth rate of revenues without a corresponding and timely slowdown in expense growth could have a material adverse effect on the Company's business, results of operations or financial condition.

HIRING AND RETENTION OF EMPLOYEES. The Company's continued growth and success depends to a significant extent on the continued service of senior management and other key employees and the hiring of new qualified employees. There can be no assurances that the Company will be successful in continuously recruiting new personnel and in retaining existing personnel. The loss of one or more key employees or the Company's inability to attract additional qualified employees or retain other employees could have a material adverse effect on the Company's business, results of operations or financial condition. In addition, the Company may experience increased compensation costs in order to compete for skilled employees.

ENFORCEMENT OF THE COMPANY'S INTELLECTUAL PROPERTY RIGHTS. The Company relies on a combination of the protections provided under applicable patent, copyright, trademark and trade secret laws. It also relies on confidentiality procedures and licensing arrangements to establish and protect its rights in its products and services. Despite the Company's efforts to protect these rights, it may be possible for unauthorized third parties to copy certain portions of the Company's products or to reverse engineer or obtain and use technology or other information that the Company regards as proprietary. In addition, the laws of certain countries do not protect the Company's proprietary rights to the same extent as do the laws of the United States. Accordingly there can be no assurance that the Company will be able to protect its proprietary technology against unauthorized third party copying or use, which could adversely affect the Company's competitive position.

INTERNATIONAL SALES. Although international sales have not been a factor to date, the Company believes this market to offer attractive potential. Such growth in international business will be subject to the risks attendant thereto, including the general economic conditions in each country, the overlap of different tax structures, the difficulty in managing an organization spread over various countries, changes in regulatory requirements, compliance with a variety of foreign laws and regulations and longer payment cycles in certain countries.

14

#### ITEM 7. FINANCIAL STATEMENTS

The financial statements and supplementary data listed in the accompanying Index to Financial Statements are attached as part of this report.

CRYO-CELL INTERNATIONAL, INC.

#### LIST OF FINANCIAL STATEMENTS

The following consolidated financial statements of CRYO-CELL International, Inc. are included in Item 7:

Consolidated Balance Sheets	F-1
Consolidated Statements of Profit and Loss	F-3
Consolidated Statements of Cash Flows	F-4
Consolidated Statements of Shareholders' Equity	F-6
Consolidated Notes to Financial Statements	F-8

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

15

[LETTERHEAD]

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of  
CRYO-CELL International, Inc.

We have audited the accompanying consolidated balance sheets of CRYO-CELL International, Inc. and subsidiaries as of November 30, 1996 and 1995, and the related consolidated statements of income (loss), shareholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of CRYO-CELL International, Inc. and subsidiaries as of November 30, 1996 and 1995, and the consolidated results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

MIRSKY, FURST & ASSOCIATES, P.A.

Fort Lee, New Jersey  
February 3, 1997

16

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE>  
<CAPTION>

	NOVEMBER 30 1996	NOVEMBER 30 1995
	-----	-----
	<C>	<C>
ASSETS		
-----		
<S>		
CURRENT ASSETS		
Cash and cash equivalents	\$1,079,531	\$ 11,536
Accounts receivable (net of reserve of \$2500 in 1996)	673,533	0
Convertible notes receivable (net of reserve of \$394,324 in 1995)	0	76,951
Notes receivable (net of reserve of \$5,000 in 1995)	0	450,000
Inventory	13,628	0
Prepaid expenses	22,839	0
	-----	-----
Total Current Assets	1,789,531	538,487
	-----	-----

PROPERTY AND EQUIPMENT

Property and equipment, net	2,044,454	1,688,013
	-----	-----
OTHER ASSETS		
Intangible assets (net of amortization of \$30,531 and \$36,223, respectively)	67,630	218,821
Deposit on equipment	250,000	600,000
Security deposits	5,971	18,710
Investment in unconsolidated affiliate	50,138	0
	-----	-----
Total Other Assets	373,739	837,531
	-----	-----
TOTAL ASSETS	\$4,207,724	\$3,064,031
	=====	=====

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these statements.

F-1

<TABLE>  
<CAPTION>

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	NOVEMBER 30 1996	NOVEMBER 30 1995
	-----	-----
<S>	<C>	<C>
CURRENT LIABILITIES		
Accounts payable	\$ 86,433	\$ 74,033
Accrued revenue sharing expense	292,708	0
Other accrued expenses	93,823	50,851
Income taxes payable	37,334	0
Loans payable	0	88,000
Convertible notes payable	0	250,000
Obligation under capital leases	8,296	16,970
	-----	-----
Total Current Liabilities	518,594	479,854
	-----	-----
OTHER LIABILITIES		
Obligations under capital lease (net of current portion)	0	7,169
Deposits	30,000	30,000
Commitments and contingencies	0	0
	-----	-----
Total Other Liabilities	30,000	37,169
	-----	-----
STOCKHOLDERS' EQUITY		
Preferred stock (500,000 \$.01 par value authorized; 0 issued and outstanding)	0	0
Common stock (15,000,000 \$.01 par value common shares authorized; 7,151,984 at November 30, 1996 and 7,055,290 at November 30, 1995 issued and outstanding)	71,520	70,553
Additional paid-in capital	6,473,085	5,972,672
Accumulated deficit	(2,885,475)	(3,496,215)
	-----	-----
Total Stockholders' Equity	3,659,130	2,547,010
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,207,724	\$ 3,064,031
	=====	=====

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these statements.

F-2

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED

	NOVEMBER 30 1996 -----	NOVEMBER 30 1995 -----
Revenue	\$2,669,616	\$ 500,000
Costs and Expenses:		
Cost of sales - revenue sharing	292,708	0
Selling, general & administrative expenses	1,398,630	710,025
Loan settlement expense	95,251	240,428
Research and development expenses	111,499	129,939
Depreciation and amortization	53,357	62,484
	-----	-----
Total Cost and Expenses	1,951,445	1,142,876
	-----	-----
Operating Profit (Loss)	718,171	(642,876)
Other Income and (Expense):		
Interest income	27,668	38,176
Interest (Expense)	(14,135)	0
Gain on sale of unconsolidated affiliate's stock	150,000	0
Write-off of patents abandoned as unnecessary	(146,506)	0
	-----	-----
Total Other Income	17,027	38,176
	-----	-----
Income (Loss) before equity in net loss of unconsolidated affiliate and provision for income taxes	735,198	(604,700)
Provision for income taxes	44,829	0
Equity in net loss of unconsolidated affiliate	79,629	0
Net Income (Loss)	-----	-----
	\$610,740	\$ (604,700)
	=====	=====
Net Income (Loss) Per Share	\$ 0.09	(\$ 0.09)
	=====	=====
Number of Shares Used in Computation	7,176,428	6,919,967
	=====	=====

The accompanying notes to consolidated financial statements are an integral part of these statements.

F-3

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED

	NOVEMBER 30 1996 -----	NOVEMBER 30 1995 -----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (loss)	\$ 610,740	\$ (604,700)
Adjustments to reconcile net income (loss) to cash provided by (used for) operating activities:		
Depreciation and amortization	53,357	62,484
Interest income	6,857	0
Write-off of patents abandoned as unnecessary	146,506	26,630
Write-off of prototype	0	20,073
Loan settlement expense	95,251	240,428
Allowance for bad debts	2,500	30,000
Equity in loss of unconsolidated affiliate	79,629	0
Consulting expense	208,053	0
Proceeds on sale of unconsolidated affiliate's stock	(150,000)	0
Changes in assets and liabilities:		
Accounts and convertible notes receivable	(694,333)	0
Notes receivable	455,000	(455,000)

Inventory	(13,628)	0
Prepaid expenses	(22,839)	5,897
Accrued interest receivable	0	(36,639)
Accounts payable	12,402	4,175
Accrued expenses	335,680	15,752
Income taxes payable	37,334	0
Deposits and other	12,575	17,276
	-----	-----
Net cash provided by (used for) operating activities	1,175,084	(673,624)
	-----	-----
Cash flows from investing activities:		
Purchases of property and equipment-net	(105,113)	(10,626)
Patent and trademark acquisition costs	0	(9,196)
Advances made on convertible note receivable	(18,550)	(219,788)
Proceeds from sale of investee stock	150,000	0
	-----	-----
Net cash provided (used for) investing activities	\$ 26,337	\$ (239,610)
	-----	-----

The accompanying notes to consolidated financial statements are an integral part of these statements.

F-4

<TABLE>  
<CAPTION>

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED

	NOVEMBER 30 1996	NOVEMBER 30 1995
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common stock	\$ 170,417	\$ 877,466
Loan proceeds	88,662	38,000
Repayment of debt	(376,662)	0
Loan advances to affiliated company	169,357	0
Principal payments under capital leases	(15,843)	(14,027)
Loan repayments from affiliated company	169,357	0
	-----	-----
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES:	(133,426)	901,439
	-----	-----
Increase (decrease) in cash and cash equivalents	1,067,995	(11,795)
	-----	-----
Cash and cash equivalents:		
Beginning of year	11,536	23,331
	-----	-----
End of year	\$1,079,531	\$ 11,536
	=====	=====

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:		
Interest	\$ 45,436	\$ 0
	-----	-----
Income taxes	\$ 7,496	\$ 0
	-----	-----

</TABLE>

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Deposits for equipment in the amount of \$600,000 were converted into equipment.

Consulting expenses of \$208,053 were paid with the issuance of common stock.

The Company received 517,211 shares of Net/Tech common stock as payment for advances and \$6,857 current year interest income.

The accompanying notes to consolidated financial statement are an integral part of these statements.

F-5

<TABLE>  
<CAPTION>

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF SAHREHOLDERS' EQUITY

TOTAL SHARE- HOLDERS' EQUITY	COMMON STOCK		ADDITIONAL	ACCUMULATED
	SHARES	AMOUNT	PAID-IN CAPITAL	DEFICIT
----- <S> <C> BALANCE NOVEMBER 30, 1994 1,274,245	<C> 6,607,560 =====	<C> \$ 66,076 =====	<C> \$ 4,099,684 =====	<C> (\$2,891,515) =====
=====				
DECEMBER 1, 1994 TO NOVEMBER 30, 1995				
Shares issued at \$2.99 per share 200,000	67,000	670	199,330	
Shares issued at \$4.00 per share 200,000	50,000	500	199,500	
Shares issued at \$5.00 per share For blood separation equipment 1,000,000	200,000	2,000	998,000	
Shares issued at \$3.50 per share 105,000	30,000	300	104,700	
Shares issued at \$3.95 per share 237,157	60,000	600	236,557	
Shares issued at \$4.04 per share For services provided 101,000	25,000	250	100,750	
Shares issued at \$2.50 per share For services provided 8,075	3,230	32	8,043	
Shares issued at \$2.50 per share 6,250	2,500	25	6,225	
Shares issued at \$2.00 per share 19,983	10,000	100	19,883	
Net (Loss) (604,700)				(604,700)
-----	-----	-----	-----	-----
BALANCE NOVEMBER 30, 1995 \$2,547,010	7,055,290 =====	\$ 70,553 =====	\$ 5,972,672 =====	(\$3,496,215) =====
=====				

The accompanying notes to consolidated financial statements are an integral part of these statements.

F-6

<TABLE>  
<CAPTION>

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF SAHREHOLDERS' EQUITY

TOTAL SHARE- HOLDERS'	COMMON STOCK		ADDITIONAL	ACCUMULATED
	SHARES	AMOUNT	PAID-IN CAPITAL	DEFICIT

EQUITY				
	-----	-----	-----	-----
-				
<S>	<C>	<C>	<C>	<C>
BALANCE NOVEMBER 30, 1995	7,055,290	\$ 70,553	\$ 5,972,672	(\$3,496,215)
\$ 2,547,010	=====	=====	=====	=====
=====				
Shares Issued Upon				
Exercise of Options at \$4.00 per share	5,000	50	19,950	
20,000				
Shares Issued Upon				
Exercise of Options at \$3.00 per share	50,000	500	149,500	
150,000				
Shares Issued				
For Consulting Services	41,694	417	208,053	
208,470				
Increase in carrying value accounting				
for Unconsolidated Affiliate			122,910	
122,910				
Net Income				610,740
610,740				
-	-----	-----	-----	-----
BALANCE NOVEMBER 30, 1996	7,151,984	\$ 71,520	\$ 6,473,085	(\$2,885,475)
\$3,659,130	=====	=====	=====	=====
=====				

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these statements.

F-7

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

LINE OF BUSINESS

The Company was incorporated in Delaware on September 11, 1989. The Company is engaged in cryogenic storage and the design and development of cryogenic storage devices used in its storage programs. The revenue recognized to date has been almost exclusively from the sale of Revenue Sharing Agreements which has become part of the Company's planned principal operations. The Company's shift to a greater reliance on the sale of Revenue Sharing Agreements is responsible for its emergence from a development stage enterprise.

The Company formed Safti-Cell, Incorporated, CCEL Immune System Technologies, Inc. , CCEL Expansion Technologies, Inc. and CCEL Bio-Therapies, Inc. in Delaware in calendar year 1993. As of November 30, 1996, no shares have been issued for any of these subsidiaries. CCEL Immune System Technologies, Inc. has opened a bank account but has had no activity in it for the year ended November 30, 1996, and none of the other subsidiaries has any financial activity but are all consolidated with the Company. The Company has retained these corporations for possible future use.

REVENUE RECOGNITION

Revenue is recognized when the Company enters into a Revenue Sharing Agreement and the payment pursuant to the agreement has been satisfactorily assured.

Equipment costs related to the agreement are expensed in the period in which the sale is recorded.

Cryogenic storage fees are recognized ratably over the storage period.

CONCENTRATION OF CREDIT RISKS

During 1996, nearly all of the Company revenues were derived from four



Revenue Sharing Agreements.

Financial instruments that potentially subject the Company to concentration of credit risk are principally cash and cash equivalent accounts in financial institutions, which often exceed the Federal Depository Insurance limit. The Company places its cash with high quality financial institutions and believes it is not exposed to any significant credit risk.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

RECLASSIFICATIONS

Reclassifications have been made to the prior year's Consolidated Financial Statements to conform to the fiscal 1996 presentation.

F-8

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES - CONTINUED

CASH AND CASH EQUIVALENTS

Cash and equivalents consist of highly liquid investments with a maturity date at acquisition of three months or less.

ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of amounts related to the sale of Revenue Sharing Agreements. These amounts have been collected subsequent to the balance sheet date.

INVESTMENT

The investment in Net/Tech International, Inc., ("Net/Tech") by CRYO-CELL is being accounted for on the equity method.

The following is a summary of Net/Tech assets, liabilities and results of operations as of November 30, 1996:

	November 30 1996	November 30 1995
Cash	\$ 77,560	\$ 0
Net Fixed Assets	13,539	1,604
Total Assets	177,485	83,989
Total Current Liabilities	28,851	507,432
Total Stockholders Equity (Deficit)	145,370	(423,443)
Net Loss for the Period	198,241	235,508

PROPERTY AND EQUIPMENT :

Property and Equipment are stated at cost. Depreciation is computed using a straight-line method over estimated useful lives.

Upon the sale or retirement of depreciable assets, the cost and related accumulated depreciation will be removed from the accounts and resulting profit or loss will be reflected in income. Expenditures for maintenance and repairs are charged to income as incurred.

Estimated useful lines are as follows:

Machinery and Equipment	5 - 10
Furniture and Fixtures	5 - 7

In 1995, Financial Accounting Standard No. 121 (SFAS 121), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of," was issued and is effective for fiscal years commencing after December 15, 1995. The future adoption of SFAS 121 is not expected to have a material effect on the Company's financial statements. In the current year, the Company adopted a policy of expensing the portion of equipment costs related to the Revenue

Sharing Agreements. The expense has been classified as a cost of goods sold.

F-9  
CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

INTANGIBLE ASSETS

Costs incurred in connection with filing patent and trademarks applications are capitalized. Patents and trademarks granted are amortized on a straight line basis over a lifetime of 10 and 3 year, respectively. Abandoned patents are expensed in the year of abandonment.

RESEARCH AND DEVELOPMENT COSTS

Research, development and related engineering costs are expensed as incurred.

NET INCOME PER COMMON AND COMMON-EQUIVALENT SHARE

Net income per common and common-equivalent share is computed using the weighted average number of common and dilutive common-equivalent shares outstanding. Dilutive common-equivalent shares consist of the incremental shares issuable upon the exercise of stock options (using the treasury stock method). Fully diluted earnings per share have not been presented because the additional dilution effect is immaterial.

STOCK -BASED COMPENSATION

The Company has not elected early adoption of the Financial Accounting Standard No. 123 (SFAS 123), "Accounting for Stock-Based Compensation." SFAS 123 becomes effective beginning with the Company's first quarter of fiscal 1997 and will not have a material effect on the Company's consolidated financial position or operating results. Upon adoption of SFAS 123, the Company will continue to measure compensation expense for its stock-based employee compensation plans using the intrinsic value method prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees," and will provide proforma disclosures of net income and earnings per share as if the fair value-based method prescribed by SFAS 123 had been applied in measuring compensation expense.

NOTE 2 - PROPERTY AND EQUIPMENT

The major classes of property and equipment, at cost, are as follows:

<TABLE>  
<CAPTION>

CLASSIFICATION	NOVEMBER 30 1996	NOVEMBER 30 1995
<S>	<C>	<C>
Furniture and equipment	\$ 144,257	\$ 142,800
Cellular Storage Units	600,000	300,000
Controlled Rate Freezer	140,000	140,000
Blood Separation Equipment	1,021,240	1,000,000
Prototype	246,919	246,919
Total	2,152,416	1,829,719
Less		
Accumulated depreciation and amortization	107,962	141,706
Property and equipment, net	\$2,044,454	\$1,688,013

</TABLE>

Certain components of the above equipment have not been depreciated since they have not yet been placed in service at November 30, 1996. However, the Company has accrued the costs of equipment allocable to Revenue Sharing Agreements.

F-10  
CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

NOTE 2 - PROPERTY AND EQUIPMENT CONTINUED

The Company has voluntarily submitted for approval its Patented Cellular Storage Unit to the Underwriters Laboratories. These units have not yet been placed into service.

NOTE 3 - ACCRUED EXPENSES

	November 30 1996	November 30 1995
Accrued interest	\$ 0	\$31,301
Consultants and patent costs	40,100	12,750
Legal and accounting	1,756	0
Payroll and payroll taxes	14,523	6,800
General expenses	37,444	0
Accrued Revenue Sharing Agreement expenses	292,708	0
	-----	-----
	\$ 386,531	\$50,851
	=====	=====

#### NOTE 4 - PATENTS

The Company has patented technology on automatic cryogenic preservation and has received patents for: additional functions of the cryogenic unit, an additional unit which incorporates a multi-chambered design and for a process for controlled freezing/thawing. The Company has been granted patents in several countries including Australia and Israel.

#### NOTE 5 - RELATED PARTY TRANSACTIONS

On April 2, 1996, the Company issued 41,694 shares of restricted stock valued at \$208,470 to two former employees in consideration for consulting services rendered.

The Company borrowed from the wife of the Chairman of the Board during 1996 and 1995, \$88,662 and \$38,000, respectively. These loans were repaid with interest during 1996.

During the past three years, CRYO-CELL loaned a total of \$517,211 to Net/Tech International, Inc., an affiliate, on demand Convertible Notes with an interest rate of 10%. These loans provided the operating capital necessary for Net/Tech to continue operations. In 1995, CRYO-CELL's Board of Directors resolved to convert the loans into 517,211 shares of restricted Net/Tech common stock. This stock was issued in 1996 and represents full payment of the loan balances. In settlement of the loan transaction with Net/Tech, the Company recognized an expense of \$95,271 and \$240,428 in the years ended November 30, 1996 and 1995, respectively. The Company made short term loans totaling \$169,857 to Net/Tech during 1996 and these short term loans were repaid in cash on October 10, 1996.

During 1996, the Company recognized a gain of \$150,000 on the sale of 500,000 shares of Net/Tech Common Stock.

#### NOTE 6 - COMMITMENTS AND CONTINGENCIES

Rent expense for the periods ended November 30, 1996, and November 30, 1995, was \$16,332 and \$16,376, respectively.

F-11

#### CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS NOVEMBER 30, 1996

#### NOTE 6 - COMMITMENTS AND CONTINGENCIES CONTINUED

The Company has entered into a lease for office space through mid 1997. The monthly payment is \$739.

Subsequent to the balance sheet date, the Company entered into a seven year lease on a new, free-standing headquarters building containing 7,500 square feet. The facility will contain executive offices, conference and training center, testing and typing laboratory, cellular storage facilities and supporting areas. Construction is expected to be completed in the summer of 1997. Annual lease commitments for the facility beginning in the summer of 1997 are expected to be approximately \$120,000 per year.

To the extent that Net/Tech could not raise sufficient capital through the sales of stock or through loans or other sources, the Company had committed to loan to, or guarantee a loan for, or purchase a sufficient number of shares to guarantee that Net/Tech would be able to continue in business through November 30, 1996. The Company has not extended this commitment.

The Company has entered into an agreement with Stainless Design Corporation (SDC) to produce six of the Company's cellular storage units at a cost of \$150,000 per unit. An initial deposit of \$900,000 was made, of which \$250,000 and \$400,000 remained at November 30, 1996 and 1995, respectively.

#### NOTE 7 - CONVERTIBLE LOAN

The Company borrowed on two Convertible Loan Agreements totaling \$250,000 during July and August of 1994. The notes had a term of one year at which time the principal plus interest, at 10% per year, was due. These loans were extended by the lenders and were fully paid by the Company on February 1, 1996, including accrued interest.

NOTE 8 -INCOME TAXES

Provision for income taxes consists of the following:

	NOVEMBER 30 1996	NOVEMBER 30 1995
	-----	-----
Current		
Federal	\$ 0	\$ 0
State	\$44,829	0
	-----	-----
Total current	\$44,829	\$ 0
Deferred	0	0
	-----	-----
Total	\$44,829	\$ 0
	=====	=====

Deferred taxes reflect the impact of temporary differences between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable for the period plus or minus the change during the period in deferred tax assets and liabilities.

F-12

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

NOTE 8 -INCOME TAXES CONTINUED

A reconciliation of income tax benefits with the amount of income tax computed by applying the federal statutory rate (34%) to pretax income follows:

<TABLE>  
<CAPTION>

YEARS ENDED NOVEMBER 30,	1996	1995
-----	-----	-----
<S>	<C>	<C>
Tax expense at statutory rate	\$220,593	\$ (205,598)
State taxes	44,829	(31,900)
Realization of operating loss carry forward	(216,873)	0
Increase in valuation allowance	0	0
Benefit of capital loss carry forward	(3,720)	237,498
	-----	-----
Total Income Taxes	\$ 44,829	\$ 0
	=====	=====

Net deferred assets in the accompanying balance sheet include the following components:

Net operating loss carry forward	\$407,997	\$ 839,664
Equity investments	183,074	9,361
Depreciation and other	11,171	11,994
Provisions for expenses and losses	111,112	191,976
	-----	-----
Total deferred assets	713,354	1,052,995
Less valuation allowance	(713,354)	(1,052,995)
	-----	-----
Deferred taxes, net of valuation allowance	\$ 0	\$ 0
	=====	=====

</TABLE>

The Company has unused net operating losses available for carry forward to offset future federal taxable income of \$73,631 which expires by the year 2006, \$294,557 which expires by the year 2008, \$536,253 which expires by the year 2009 and \$295,551 which expires by the year 2010. The total of the foregoing net operating loss carryforward is \$1,199,992.

NOTE 9 - OPTIONS

The following summarizes the Company's outstanding options:

NOVEMBER 30 NOVEMBER 30

	1996	1995
	-----	-----
Options outstanding and exercisable at the beginning of the year (# of shares)	549,000	417,500
Issued-Employee (exercise price range: \$2.00 - \$5.00)	0	70,000
Issued-Non-Employee (exercise price range: \$3.50 - \$20.00)	426,000	189,500
Exercised	55,000	
Terminated	425,000	128,000
	-----	-----
Options outstanding and exercisable at the end of the year (# of shares)	495,000	549,000
Price range of outstanding options (n/m-no market)	n/m	n/m

F-13  
CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

NOTE 9 - OPTIONS CONTINUED

For outstanding shares under options at November 30, 1996, option prices range from \$2.00 to \$20.00 per share. The expiration dates for these options range from March 1997 to February 2000.

NOTE 10 - STOCKHOLDERS' EQUITY

The Company has reserved stock for future issuance as follows:

DESCRIPTION	NUMBER OF SHARES
-----	-----
Reserve for employee stock options*	500,000
Reserve for non-employee stock options	600,000

\*500,000 shares have been put in reserve for an employee stock option plan. Employee Options under the Plan are exercisable at 100% of the current market price and have a term of five years from the date of grant. The options immediately terminate on the employee's termination or in the case of permanent and total disability the options are exercisable for a period of 30 days after termination.

NOTE 11 - MARKETING AND CELLULAR STORAGE AGREEMENT SIGNED WITH  
GROUP IN ISRAEL

On March 31, 1991, the Company and an Israeli Group entered into a 40 year cross-licensing agreement in which the Israeli Group has been granted the right to establish a cellular banking network. This agreement has been superseded by an agreement with MedEquip Ltd. Under the terms of this agreement, MedEquip will be responsible for marketing the Company's Lifespan/service mark/Cellular Storage Program in the Middle East. All funding will be provided by MedEquip.

In exchange for these rights, CRYO-CELL will receive \$300,000, of which \$30,000 was received on August 28, 1995. The remaining \$270,000 is due by April, 1997. The terms of the agreement call for the Company to receive 50% on the first US \$1,000,000 and no less than 30% of all revenues above US \$1,000,000 calculated on an annual basis after deduction of 10% of the gross revenue for expenses.

NOTE 12 - PURCHASE, MARKETING AND STOCK AGREEMENT WITH  
INSTACOOOL OF NORTH AMERICA, INC.

The Company signed an agreement on April 7, 1992, in which they purchased all rights, title and interest from InstaCool to their Controlled Rate Freezer (CRF). The purchase price was 20,000 shares of the Company's legended common stock and a 5% royalty on all sales of the CRF units. In addition, the Company was granted exclusive world marketing rights to InstaCool's coolant when used in computer and/or robotic controlled cellular storage units.

There has been no activity relative to this agreement during 1996 and 1995.

NOTE 13 - REVENUE SHARING AGREEMENTS

ARIZONA

As of February 28, 1995, the Company sold a Revenue Sharing Agreement with two private investors. The agreement interest entitles the investors to a

50% share of the Net Revenues (defined as the revenues after expenses for running the Lifespan/service mark/Program) from all cellular storage activities in

F-14

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

NOTE 13 - REVENUE SHARING AGREEMENTS CONTINUED

Arizona. In exchange, the Company received a total of \$1,800,000 in negotiable demand notes to be paid in 25% annual installments (\$450,000 plus interest at prime rate) annually, commencing April 30, 1996.

In January 1996, the notes were restructured to provide for an accelerated payment of the \$450,000, originally due April 30, 1996, to January of 1996. This was in exchange for the payment of future amounts to be due and payable out of revenues generated from the Lifespan/service mark/Program. Since the restructuring made the repayment of the \$1,350,000 note based upon future revenue, the Company does not carry the note as a receivable and has not recorded this portion of the income.

ILLINOIS

In 1996, the Company signed a series of agreements with a group of investors entitling them to a 50% share in CRYO-CELL's portion of future net revenues generated by the Cellular Storage Unit located in the Illinois Masonic Medical Center. The Company is currently storing specimens in a standard CryoMed unit.

Bio-Stor

On April 12, 1996, the Company and Bio-Stor International, Inc. ("Bio-Stor") Inc. signed an agreement whereby CRYO-CELL agrees to share in the net revenue from 30,000 spaces in each of five locations in exchange for \$5,000,000. A non-refundable deposit of \$1,000,000 was the condition for obtaining these lease rights. In the event that the total \$5,000,000 can not be raised, all proceeds paid will be applied to individual Revenue Sharing Agreement leases for locations designated by the Company.

The balance of \$4,000,000 due for the lease rights must be paid within 12 months from the date of the agreement becomes effective. An extension of up to 90 days will be granted if Bio-Stor files for their IPO with the SEC within the 12 month time frame.

Bio-Stor issued a promissory note dated April 29, 1996, and due on June 1, 1996, in the amount of \$900,000 representing 90% the non-refundable deposit (\$1,000,000). The full \$900,000 has been received by the Company as of the balance sheet date. The agreement has been extended until October 12, 1997. The extended agreement now covers revenue sharing in 33,000 spaces per unit or 165,000 spaces in total.

ORNDA HEALTHCORP

On November 30, 1996, the Company signed dual joint venture agreements with OrNda HealthCorp, a Nashville based chain of 50 hospitals. Under the terms of the Lifespan/service mark/segment of the agreement, CRYO-CELL will provide OrNda the use of two CRYO-CELL patented Cellular Storage Units, each with an approximate 35,000 storage capacity. In addition to OrNda receiving 25% of the \$50 per specimen annual cellular storage fees, CRYO-CELL will provide "pro-bono" spaces within units for important research in cryopreservation of stem cells for the future medical benefit of OrNda's patients. A second agreement was also signed on November 30, 1996, in which OrNda was to pay CRYO-CELL \$666,666 for additional joint venture revenue sharing entitlements.

Subsequent to the Company's fiscal year end at November 30, 1996, OrNda completed its payment of \$666,666 to the Company.

F-15

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

NOTE 13 - REVENUE SHARING AGREEMENTS CONTINUED

GAMIDA MEDEQUIP, LTD.

On November 27, 1996, the Company announced that an agreement had been signed with Gamida-MedEquip, Ltd. for exclusive rights to operate a Lifespan/service mark/ cellular storage facility in Israel. The terms of the

agreement provide for Gamida to retain the first 10% of all gross revenues to be applied toward the cost of operations. Thereafter, CRYO-CELL will receive:

- 50% on the first U.S. \$1,000,000 gross revenues
- 45% on \$1,000,001 to \$1,500,000 gross revenues
- 40% on \$1,500,001 to \$2,000,000 gross revenues
- 35% on \$2,000,001 to \$2,500,000 gross revenues
- 30% on all revenues over \$2,500,000 gross revenues

These percentages are on annual gross revenues and will be recomputed according to the above revenue figures annually.

In addition, according to the terms of the agreement, CRYO-CELL will receive 50% of all licensing or Revenue Sharing Agreement fees generated by Gamida-MedEquip in Israel. CRYO-CELL will also receive a total of US \$500,000 for the Lifespan/service mark/agreement and unit lease.

Gamida will be responsible, at their expense, for all Lifespan/service mark/ Center operations, marketing activities in Israel as well as training their technicians in the U.S. CRYO-CELL will also receive a portion of the revenues from the allogeneic cell bank which will be initiated by Gamida-MedEquip in Israel. Gamida is currently involved in the distribution of products and/or services in Israel for various international healthcare supplies manufacturers.

SACHEM CORPORATE FINANCE, LTD.

On February 18, 1997, subsequent to the end of the Company's most recent fiscal year end, the Company announced that it had sold two Single Unit Revenue Sharing Agreements for \$2,000,000 to an associate firm of Sachem Corporate Finance, Ltd.

The agreement covers revenue sharing in two units to be located in CRYO-CELL Lifespan/service mark/sites in the U.S. A \$400,000 non-refundable deposit was paid to CRYO-CELL in the form of 100,000 shares of a NASDAQ small cap stock at a market value slightly in excess of \$400,000 at the time of the transaction. The \$1.6 million cash balance is due in full by May 31, 1997. Upon receipt of the entire \$2,000,000 on a timely basis, CRYO-CELL has granted Schem the right to purchase an additional three Single Unit Revenue Sharing Agreements for \$3,000,000. These must be outside the U.S. and could include Australia, where CRYO-CELL has recently received a patent for its cellular storage technology.

After the full \$2,000,000 payment has been made, Schem, which is headquartered in London, England, will be granted a 10% management equity position in CRYO-CELL's planned European operation.

F-16

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 1996

<TABLE>  
<CAPTION>

NOTE 14 - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

1996 ----	1ST QUARTER -----	2ND QUARTER -----	3RD QUARTER -----	4TH QUARTER -----
<S>	<C>	<C>	<C>	<C>
Net Income (Loss)	\$ 274,605 =====	\$ 912,820 =====	(\$ 213,192) =====	\$ (363,493) =====
Income (Loss) per share	\$ 0.04 =====	\$ 0.13 =====	\$ (0.03) =====	\$ (0.05) =====
Shares used in computation	7,639,576 =====	7,097,603 =====	7,098,750 =====	7,150,000 =====
	1ST QUARTER -----	2ND QUARTER -----	3RD QUARTER -----	4TH QUARTER -----
1995 ----				
Net (Loss)	\$1,651,604 =====	\$ (473,889) =====	\$ (190,540) =====	\$ (1,591,875) =====
(Loss) per share	\$ 0.23 =====	\$ (0.07) =====	\$ (0.03) =====	\$ (0.22) =====

Shares used in computation	7,107,121 =====	6,823,060 =====	6,988,745 =====	7,040,402 =====
----------------------------	--------------------	--------------------	--------------------	--------------------

</TABLE>

F-17

PART III

Documents incorporated by reference: The information required by Part III of Form 10-KSB is incorporated by reference to the Issuer's definitive proxy statement relating to the 1997 Annual Meeting of Shareholders which is expected to be filed with Securities and Exchange Commission on or about March 30, 1997.

17

PART IV

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 3.1 Certificate of Incorporation (1)
- 3.11 Amendment to Certificate of Incorporation
- 3.2 By-Laws (1)
- 3.21 Board Minutes to Amendment of By-Laws
- 10.1 Employment Agreement dated April 15, 1996 between the Company and William Hardy
- 10.11 Agreement with InstaCool of North America, Inc. (2)
- 10.12 Agreement with the University of Arizona (2)
- 10.13 Agreement with Illinois Masonic Medical Center
- 10.14 Agreement with Bio-Stor
- 10.15 Agreement with Gamida-MedEquip
- 10.16 Agreement with ORNDA HealthCorp
- 10.17 Convertible Note from Net/Tech International, Inc. Dated November 30, 1995 (3)
- 21 List of Subsidiaries
- 27 Financial Data Schedule (for SEC use only)

- 
- (1) Incorporated by reference to the Company's Registration Statement on Form S-1 (No. 33-34360).
  - (2) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1994.
  - (3) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1995.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the last quarter for the fiscal year ended November 30, 1995.

Supplemental Information to be furnished with reports filed pursuant to Section 15(d).

- (c) No annual reports or proxy material have been sent to security holders for the current fiscal year. Copies of any such report or proxy material so furnished to security holders subsequent to the filing of the annual report on this form will be furnished to the Commission when sent to security holders.

18

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CRYO-CELL INTERNATIONAL, INC.

By: /s/ DANIEL D. RICHARD  
-----  
Daniel D. Richard,  
Chief Executive Officer

Dated: March 14, 1997



In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated.

NAME	TITLE
/s/DANIEL D. RICHARD - ----- Daniel D. Richard	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)
/s/WILLIAM C. HARDY - ----- William C. Hardy	President Chief Operating Officer
/s/BRIAN K. BURKE - ----- Brian K. Burke	Principal Financial and Accounting Officer Secretary and Treasurer
- ----- Leonard Green	Director
- ----- Frank W. Hendricks	Director
/s/ED MODZELEWSKI - ----- Ed Modzelewski	Director
/s/FREDERICK C.S. WILHELM - ----- Frederick C.S. Wilhelm	Director

## EMPLOYMENT AGREEMENT

THIS AGREEMENT ("Agreement"), made and entered into effective as of this 15th of April, 1996, is by and between William C. Hardy (hereinafter referred to as "MR. HARDY") and CRYO-CELL International, Inc. (hereinafter referred to as "CCEL").

## RECITALS:

WHEREAS, CCEL is a corporation duly organized under the laws of the State of Delaware and is presently in existence and in good standing; and

WHEREAS, MR. HARDY is willing to be retained by CCEL, and CCEL is willing to retain MR. HARDY, on the terms, covenants, and conditions hereinafter set forth; and

NOW, THEREFORE in consideration of the mutual covenants contained herein and other good and valuable consideration of the parties hereby agree as follows:

SECTION I  
NATURE OF AND PLACE OF SERVICES

CCEL does hereby retain MR. HARDY as its full time President and Chief Operating Officer. MR. HARDY will also be nominated to CCEL's Board of Directors. MR. HARDY does hereby accept and agree to such engagement. MR. HARDY shall perform all needed presidential duties as well as such other administrative duties as are customarily performed by a president and chief operating officer at CCEL's offices in Safety Harbor, Florida or any other site selected by CCEL.

SECTION II  
MANNER OF PERFORMANCE OF PRESENT/COO'S DUTIES

MR. HARDY agrees that he will at all times faithfully, industriously, and to the best of his ability, experience, and talent, perform all of the duties that may be required of and from him, pursuant to the express and implicit terms of this agreement, to the satisfaction of CCEL.

SECTION III  
TERM OF CONTRACT

The term of this contract is four (4) years beginning from the date of execution. MR. HARDY may only be terminated for just cause. If MR. HARDY is terminated for just cause then CCEL shall have no further obligations of any kind.

SECTION IV  
PAYMENT

CCEL shall pay MR. HARDY and Mr. HARDY agrees to accept from CCEL, in full payment for MR. HARDY's services under this agreement, compensation at the rate of one hundred thousand dollars (\$100,000.00) per year, payable bi-weekly (which includes four weeks paid vacation). MR. HARDY will receive a minimum twenty-five thousand dollar (\$25,000.00) per year increase in salary for each of the remaining three (3) years of this agreement, taking effect on the corresponding anniversary date. However, any increase over twenty-five thousand dollars (\$25,000.00) may only be authorized by the Compensation Committee as appointed by the Chairman of the Board. CCEL shall reimburse MR. HARDY for health insurance coverage. If MR. HARDY remains with his current insurer, then CCEL will pay the insurance premiums. If Mr. HARDY, however, does not remain with his current insurer, then CCEL will obtain insurance coverage for MR. HARDY. Further, CCEL will reimburse MR. HARDY for any reasonable business expenses he incurs on behalf of CCEL, provided such expenses are ordinary and reasonable.

SECTION V  
OPTIONS

MR. HARDY will be granted a fifty thousand (50,000) three (3) year stock option for the purchase of CCEL common stock. The price to exercise this stock option will be sixty percent (60%) of the price of the average between the bid and the ask price of CCEL stock at that time. All shares purchased under the option shall be subject to the SEC Rule 144 holding period.

SECTION VI  
NONDISCLOSURE OF INFORMATION  
CONCERNING BUSINESS

MR. HARDY has executed CCEL's Non-Disclosure Agreement prior to execution of this agreement and agrees to be bound by its terms. MR. HARDY specifically agrees that he will not at any time, in any fashion, form, or manner, either directly or indirectly, divulge, disclose, or communicate (except where disclosure is necessary for the advancement of CCEL) to any person, firm, or corporation in any manner whatsoever, any proprietary/trade secret information of any kind, nature or description concerning any matters affecting or relating to the business of CCEL.

SECTION VII  
COMMITMENTS BINDING ON EMPLOYER ONLY  
ON WRITTEN CONSENT

MR. HARDY shall be able to exercise his duties consistent with his role as President. MR. HARDY must receive prior written permission to do the following: incur any expenditure over fifty thousand dollars (\$50,000.00) on behalf of CCEL; hire the company general accountants, general counsel, or any employee whose annual salary is over fifty thousand dollars (\$50,000.00); enter into any borrowing of funds; raising of capital; the sale of any assets; or engage in any other activity not normally exercised by a president or chief operating officer.

SECTION VIII  
CONTRACT TERMS TO BE EXCLUSIVE

This written agreement contains the sole and entire agreement between the parties and shall supersede any and all other agreements between the parties. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this agreement or any representations inducing the execution and delivery hereof except such representations as are specifically set forth herein and each of the parties hereto acknowledges that they have relied on their own judgment and advice of their own counsel in entering into the same. The parties hereto further acknowledge that any statements or representations that may have heretofore been made by either of them to the other are void and of no effect and that neither of them has relied thereon in connection with their dealings with the other.

SECTION IX  
WAIVER OR MODIFICATION INEFFECTIVE  
UNLESS IN WRITING

It is further agreed that no waiver or modification of this agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged with it and that no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, between the parties hereto arising out of or affecting this agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid, and the parties further agree that the provisions of this paragraph may not be waived except as herein set forth.

SECTION X  
STATE OF FLORIDA

The parties hereto agree that it is their intention and covenant that this agreement, performance and proceedings hereunder be construed in accordance with and under the laws of the State of Florida.

SECTION XI  
SEVERABILITY

If any part, portion or term of this agreement is declared invalid or unenforceable, all remaining parts, portions or terms shall remain in effect and binding upon the parties.

SECTION XII  
NON-COMPETE

MR. HARDY agrees to keep all of his efforts hereunder and all information supplied to him by CCEL as confidential. MR. HARDY agrees that during the term of this agreement and for two (2) years thereafter, he will not by himself or on behalf of any other person, firm, partnership, or corporation engage in the business now conducted by CCEL within the United States, Israel, Ireland, England any other area where CCEL does business.

MR. HARDY expressly agrees that during this contract he will not be interested, directly or indirectly, in any form, fashion, or manner, as a partner, officer, director, stockholder, advisor, employee, or in any other form or capacity, in any other business similar to CCEL's business, provided, however, that nothing herein contained shall be deemed to prevent or limit the right of MR. HARDY to invest any of his funds in the capital stock or other

securities of any corporation whose stock or securities are publicly owned or are regularly traded on any public exchange.

SECTION XIII  
ARBITRATION

Any and all disputes, breaches, or controversies of any nature arising under this agreement shall be resolved through final and binding arbitration before the American Arbitration Association in Date County, Florida.

IN WITNESS WHEREOF, this agreement has been executed by the parties on the day and year first above written.

CRYO-CELL-Cell International, Inc.

William C. Hardy

By: s/ DANIEL D. RICHARD

s/ WILLIAM C. HARDY

-----

-----

Daniel D. Richard, CEO

William C. Hardy

LIFESPAN NETWORK  
MEMORANDUM OF UNDERSTANDING

By and between CRYO-CELL International, Inc. (hereinafter CCEL) and Illinois Masonic Medical Center, an Illinois not-for-profit corporation, hereafter (PARTICIPANT).

For mutual consideration between the parties which is hereby acknowledged, it is agreed:

1. PARTICIPANT agrees to become a member of the Lifespan Cellular Banking Network and will receive use of a CCELL Cellular Storage Unit at no charge by CCEL. The unit is capable of storing approximately 35,000 5 cc vials. The PARTICIPANT agrees to store fractionated cord blood in the unit. This equipment will be located and operated by PARTICIPANT at no cost to CCEL.
2. CCEL will provide the PARTICIPANT the free use of a Compomat cellular separation device, vial scanner and label maker.
3. CCEL will provide the PARTICIPANT with the pro-bono use of 5,000 spaces in the CCEL Cellular Storage Unit to be used for research, or any purpose other than autologous storage.
4. CCEL will charge a \$50.00 annual storage fee per vial per year for 30,000 storage spaces in the CCEL Cellular Storage Unit. These funds received will be distributed as follows: Twenty-five (25%) of the gross revenues will be paid to PARTICIPANT or its designee. CCEL will handle all of the funds generated by the Lifespan Cellular Storage program.
5. PARTICIPANT agrees to enhance the utilization of the CCEL Multi-Faceted Cellular Storage Unit by encouraging the cryopreservation of cord/placental blood, tumor tissue, peripheral stem cells, etc.
6. PARTICIPANT agrees not to engage in a paid for cellular storage program except in conjunction with CCEL Lifespan program.
7. The PARTICIPANT agrees that once the CCEL units are linked together, by computer with other Lifespan participants, the information that is not of confidential nature will be exchanged in order to enhance locating a matching donor.
8. This agreement is valid for a period of ten (10) years and will automatically renew for additional five year periods unless either party notifies the other of its desire to cancel

the agreement. PARTICIPANT reserves the right to terminate the agreement after the initial five year period.

The cancellation request must be made in writing and received by the other party at least sixty(60) days prior to the expiration of the agreement. If PARTICIPANT does not renew the agreement, the specimens stored in the CCEL Cellular Storage Unit will remain with the unit as it is moved. PARTICIPANT agrees not to engage in paid for cellular storage for a period of two years thereafter.

9. The letter from CCEL to PARTICIPANT, dated September 7, 1995 is hereby incorporated into this agreement. Paragraph 5 is made an integral part of the agreement and shall govern the rights of the parties concerning its subject matter. Said letter is attached hereto as Exhibit A.

Agreed to this 5th day of October, 1995.

CRYO-CELL International, Inc.

By: s/ DANIEL D. RICHARD  
-----

Daniel D. Richard  
Chairman & CEO  
1900 Grand Avenue  
Baldwin, NY 11510  
Phone: 516-223-5050  
Fax: 516-379-0969

\_\_\_\_\_  
LIFESPAN PARTICIPANT

By: S/ HARVEY MOROWITZ  
-----

Name: Harvey Morowitz  
Title: Vice President Operations  
Address: 836 West Wellington  
Chicago, IL 60057  
Phone: 312-296-7004  
Fax: 312-871-5221

## LEASE AGREEMENT FOR CELLULAR STORAGE SPACES

By and between CRYO-CELL International, Inc. (hereafter CCEL) and Bio-Stor International, Inc. (hereafter Lessee).

Whereas CCEL is willing to share its spaces in its patented cellular storage unit(s) and whereas Lessee agrees to lease 150,000 (one hundred-fifty-thousand) equally shared spaces in CCEL units, and for mutual consideration between the parties, which is hereby acknowledged, it is agreed:

1. The total lease price for 150,000 (one hundred-fifty-thousand) equally shared spaces is \$5,000,000 (five million dollars).
2. A non-refundable deposit of \$1,000,000 (one million dollars) is required for obtaining an option for the lease rights to the 150,000 (one hundred-fifty thousand) equally shared spaces mentioned above. Said deposit will be paid in cash by Lessee, or, at CCEL's option, a portion may be paid with a 30 (thirty) day demand corporate note. If deposit is made partially by corporate note, the acceptance is subject to Lessee immediately paying CCEL 90% (ninety percent) of all lease payments, as it receives them. If at the expiration date of the note, the \$1,000,000 (less the 10% retainage) payment has not been made in full, Lessee's option will expire (unless extended by CCEL) and all payments made to CCEL will be converted to equally shared spaces at the one-time payment of \$33.33 1/3 (thirty-three and one-third dollars) each.
3. Once the \$1,000,000 (one million dollars) deposit has been paid to CCEL, the company will designate the locations of 30,000 (thirty-thousand) equally shared spaces for lease. Said locations will come from the sites listed in paragraph 6E, below.
4. The \$4,000,000 (four million dollars) balance of the lease rights under this agreement must be paid in full within 12 (twelve) months of the date of this agreement for the five leases to become effective. No units will be delivered until the total of \$5,000,000 (five million dollars) has been paid. Lessee intends to pay the balance from the proceeds from an Initial Public Offering of its stock. If Lessee has filed their IPO with the S.E.C. within of the 12 (twelve) month period, a 90 (ninety) day extension will be granted for the balance to be paid, if necessary.
5. If Lessee has paid the \$1,000,000 (one million dollars) deposit or portion thereof, but fails to pay the balance of the \$5,000,000 (five million dollars), they agree the deposit money paid to CCEL shall not be refundable and CCEL agrees to apply said deposit for equally shared lease spaces, as set forth above.
6. CCEL agrees to perform the duties which are detailed in their revised Space and Time Sharing (SATS) Lease Agreement, covering equally shared spaces.
  - A. Marketing to promote cellular storage in Lessee's CCEL unit(s).
  - B. The payment to Lessee of one-half of CCEL's 75% (seventy-five percent) entitlement under its LIFESPAN Program. The only deductions from Lessee's entitlement shall be one-half the cost of billing and collection of storage fees and extended warranties. The cost for billing and collection and warranty shall be shared equally between CCEL and Lessee.
  - C. After Lessee's equally shared spaces are filled in a unit, CCEL shall have the right to place additional units in that area without additional financial obligation to Lessee.
  - D. In the event there is any attrition in the Lessee's equally shared space(s) in a given designated area, CCEL agrees to cease placing any new "paid for" cellular storage in spaces in another unit in that area, until the Lessee's equally shared spaces have been refilled to capacity.
  - E. The selection of leased unit's site will be exclusively CCEL's. Leased spaces must be available from units in the following cities:
 

<ul style="list-style-type: none"> <li>- Los Angeles, CA</li> <li>- San Diego, CA</li> <li>- San Francisco, CA</li> <li>- Denver, CO</li> <li>- Miami, FL</li> <li>- Jacksonville, FL</li> <li>- Atlanta, GA</li> <li>- Chicago, IL</li> </ul>	<ul style="list-style-type: none"> <li>- Minneapolis/St. Paul, MN</li> <li>- St. Louis, MO</li> <li>- Charlotte, NC</li> <li>- New York, NY</li> <li>- Cleveland/Columbus, OH</li> <li>- Philadelphia, PA</li> <li>- Houston, TX</li> <li>- Dallas, TX</li> </ul>
--	---

- New Orleans, LA
- Baltimore, MD/Washington, DC
- Detroit, MI
- Richmond/Roanoke, VA
- Seattle/Spokane, WA

7. CCEL agrees to provide Lessee a right of first refusal to match any leasing agreement which CCEL has available in Canada or Mexico.
8. Finder's Fee - CCEL agrees to pay a Finder's Fee to Lessee of \$25,000 (twenty-five thousand dollars) for each \$1,000,000 (one million dollars) in leases obtained up to a maximum of \$125,000 (one hundred-twenty-five thousand dollars).
9. CCEL agrees that Lessee shall retain 10% (ten percent) of each partial deposit, up to \$100,000 (one hundred thousand dollars), to be applied to Lessee's Finder's Fee entitlement. If Lessee does not pay the \$4,000,000 (four million dollars) balance, they will then become the SATS Lessee for the appropriate number of equally shared spaces at \$33.33 1/3 (thirty-three and one-third dollars) each. Any overage in advanced Finder's Fee's will be repaid to CCEL from Lessee's annual storage fee entitlement. Lessee will still receive the Coordinator's annual entitlement proportionate to the number of "paid for" lease spaces at \$33.33 1/3 (thirty-three and one-third dollars) each.
10. Stock Option - Upon the receipt of \$5,000,000 (five million dollars) as payment in full for 150,000 (one hundred-fifty thousand) spaces, CCEL agrees to grant to Bio-Stor International, Inc. an option to purchase 300,000 (three hundred thousand) shares of CCEL's authorized, but unissued shares of common stock.  
  
The exercise price of the stock options shall be 75% (seventy-five percent) of the median between the "bid" and the "ask" price of CCEL's stock in the marketplace, or \$6.00 (six dollars), whichever is higher, on the date of the payment in full of the \$5,000,000 (five million dollars). After the exercise of the option, Lessee agrees that stock shall be held pursuant to S.E.C.'s rule 144 holding period.
11. The parties agree that if the \$5,000,000 (five million dollars) underwriting is successful, CCEL shall purchase 300,000 (three hundred thousand) shares of Bio-Stor stock at \$1.00 (one dollar) per share, pursuant to S.E.C.'s rule 144 holding period.

The term of this lease is 10 years with automatic 10 year renewals, at no cost to Lessee.

This constitutes the entire agreement between the parties and cannot be changed unless it is done in writing and is mutually acceptable. This agreement cancels and supersedes all previous agreements between the parties.

This agreement subject to the approval by CCEL Board of Directors.

Dated this 12th day of April, 1996.

Bio-Stor International, Inc.

CRYO-CELL International, Inc.

By: S/GLENN COHEN

By: S/DANIEL D. RICHARD

-----  
Glenn Cohen, Founder

-----  
Daniel D. Richard, Chairman and C.E.O.

Address: 4255 Route 9  
Freehold, NJ 07728  
Phone: 908-845-0666  
Fax: 908-308-9420

Address: 1223 Anderson Avenue  
Ft. Lee, NJ 07024  
Phone: 201-224-7070  
Fax: 201-224-7997

LIFESPAN AGREEMENT

THIS AGREEMENT, dated this 22nd day of October, 1996, is by and between CRYO-CELL International, Inc. (hereinafter "CCEL") and GAMIDA-MEDEQUIP LTD., an Israeli medical/hospital supply company (hereinafter "the Lifespan Participant").

WHEREAS:

A. CCEL has developed and will lease to the Lifespan Participant a computer-controlled Multi-Faceted Cellular Storage Unit capable of accommodating approximately 4.5 ml. storage tubes (hereinafter "the Unit"), for which the patent has been granted. A copy of the patent has been forwarded to Lifespan Participant and should also be available at the Israeli Patent Office. In addition, CCEL will provide to the Lifespan Participant the use of the following equipment: COMPOMAT Cellular Separation Equipment, Planer Programmable Controlled Rate Freezer, Hand Held Vial Scanner and Thermal Transfer Label Printer (hereinafter "the Equipment"), as well as CCEL selected manufacturer's spare parts. The Unit and the Equipment are intended to be utilized by the Lifespan Participant as part of a multi-faceted cellular storage technology designed to provide cellular storage capabilities to interested parties (hereinafter "the LIFESPAN program").

AND

B. The Lifespan Participant desires to be part of CCEL's LIFESPAN Cellular Banking Network (hereinafter "NETWORK") and, subject to any and all applicable laws and regulations, will cooperate by providing any reasonably requested information to any national or international NETWORK and/or database created by CCEL.

AND

C. The Lifespan Participant believes that its research and clinical service missions can be enhanced by the terms of this Agreement with CCEL.

NOW, THEREFORE, in consideration of the mutual terms and conditions contained herein, which are hereby acknowledged, the parties agree as follows:

1. CCEL will lease Units to the Lifespan Participant, together in each case with the related Equipment. Technicians of the Lifespan Participant will be trained in the

USA by CCEL, the Lifespan Participant meeting all costs of travel and accommodation involved, such technicians to be responsible for starting up each new Unit after it has been shipped to the Lifespan Participant's designated site. It is understood that each Unit and related Equipment will at all times remain the property of CCEL during the period of their lease to the Lifespan Participant in accordance herewith. The terms of the first and each subsequent such lease shall be as specified in Section 3(A) of this Agreement.

2. It is the intention of CCEL and the Lifespan Participant that the Lifespan Participant will charge an annual storage fee of Fifty Dollars (US \$50.00) (or an appropriate lump sum, life-time storage payment) per cellular specimen stored in each Unit leased hereunder. Such rate of annual fee may be revised from time to time by mutual written agreement between the parties. All such storage fees collected by the Lifespan Participant shall be shared between CCEL and the Lifespan Participant in the following proportion, after first deducting ten percent (10%) of the gross income towards operating expenses:

STORAGE FEE INCOME -----	CCEL ----	LIFESPAN PARTICIPANT -----
up to US \$1 million	50%	50%
US \$1m. - 1.5 m.	45%	55%
US \$1.5 m. - 2 m.	40%	60%
US \$2 m. - 2.5 m.	35%	65%
above US \$2.5 m.	30%	70%

The Lifespan Participant's entitlement to income as specified herein shall be in full consideration of the efforts and costs required for the implementation and administration of each Unit by the Lifespan Participant



as part of the LIFESPAN program, including providing all necessary space and staff, financing operations, marketing and furnishing overall support.

3. (A) Each Unit and the related Equipment supplied to the Lifespan Participant by CCEL hereunder shall be leased for a minimum period of ten (10) years, but the Lifespan Participant shall be entitled to maintain the lease in full force and effect thereafter for so long as it may require by paying to CCEL an annual sum of One Dollar (US \$1.00) and by paying CCEL all of its financial entitlement on a timely basis. In respect of the initial ten-year period of each lease, the Lifespan Participant shall pay to CCEL a lease fee of Two Hundred Thousand Dollars (US

2

\$200,000) (hereinafter "the Lease Fee"). The Lease Fee shall be payable by means of ten (10) equal annual installments of Twenty Thousand Dollars (US \$20,000) each, subject to interest at the rate of six percent (6%) per annum, provided however that, after the sale by the Lifespan Participant of a second revenue sharing agreement in Israel (as hereinafter defined), all installments and interest outstanding for existing Units shall become due and payable and the Lease Fee on each further Unit supplied shall be payable in one lump sum. Subject to such proviso, the first installment payable in respect of each Unit supplied shall be due on the second anniversary of the date of execution of this Agreement and, in respect of each subsequent Unit supplied, on the second anniversary of the date of delivery by CCEL. Lifespan Participant's right to receive Unit is contingent upon CCEL's production and distribution schedule.

(B). The Lifespan Participant is hereby granted the right during the term of this Agreement to expand the NETWORK for the LIFESPAN program in Israel, Israeli-administered territories and the areas of Palestinian autonomy (including any future political denominations of such geographical territories) (hereinafter "Israel").

In exchange for this right, the Lifespan Participant shall pay to CCEL the sum of Three Hundred Thousand Dollars (US \$300,000). Of this sum, Thirty Thousand Dollars (US \$30,000) has already been paid by the Lifespan Participant, receipt of which CCEL hereby acknowledges. The balance of Two Hundred and Seventy Thousand Dollars (US \$270,000) shall be due on the earlier of:

- one hundred and eighty (180) days from the date of execution of this Agreement, of
- the sale by the Lifespan Participant of a revenue sharing agreement, or
- the receipt by the Lifespan Participant of income from a Space & Time Sharing ("SATS") Agreement or of equity investment amounting in the aggregate to more than Seven Hundred and Fifty Thousand US Dollars (US \$750,000).

An initial Unit and related Equipment will not be delivered by CCEL to the Lifespan Participant until said balance has been paid in full.

The parties further agree to divide equally any non-storage monies (e.g. commission, bulk leasing and SATS Program) which Lifespan Participant shall receive from any third parties by reason of its expansion of the NETWORK throughout Israel, it being understood that the terms and conditions of all agreements with third parties with respect to such expansion shall be subject to CCEL's prior written approval.

3

The right of the Lifespan Participant to expand the NETWORK in Israel shall be and remain exclusive, so long as CCEL shall have received Five Hundred Thousand Dollars (US \$500,000) in revenue sharing income hereunder by the third anniversary of the date of the installation and validation of the first Unit in Israel and provided that, thereafter, its annual income for the next four (4) years shall increase at the rate of ten percent (10%) per annum and for the subsequent ten (10) years at the rate of five percent (5%) per annum.

4. In addition, CCEL shall be entitled to twenty percent (20%) of any fees collected for donor identification and/or cellular matching as part of the LIFESPAN program.
5. The Lifespan Participant shall be entitled to charge and collect fees for services performed by physicians and medical staff (excluding storage fees) and for other necessary medical/laboratory, transportation, test kit, marketing and promotional costs, and CCEL will have no entitlement to share in such fees.

6. Each Unit is currently designed with sufficient spaces for the storage of approximately Thirty-Five Thousand (35,000) 5cc. Vials. Lifespan Participant shall be entitled to use up to Five Thousand (5,000) such spaces on a pro bono basis for cellular storage activities which will enhance the need for cryo-preservation. These pro bono spaces may be used for research, grants or related activities, but not paid-for commercial cellular storage facilities. The remaining Thirty Thousand (30,000) spaces shall be used exclusively for paid-for commercial cellular storage as part of the LIFESPAN program. Should the configuration of the Unit change, the number of pro bono spaces will be adjusted to an extent equal to approximately fourteen percent (14%) of the total capacity.
7. The Lifespan Participant shall be responsible for invoicing, collecting and accounting for all cellular storage revenues hereunder. Within thirty (30) days of the end of each calendar quarter, the Lifespan Participant shall furnish CCEL with a statement of all storage and other applicable fees invoiced and all monies collected by the Lifespan Participant pursuant to this Agreement during such quarter, and shall at the same time remit to CCEL its share of all such monies collected.
8. Upon delivery of each Unit and related Equipment to the Lifespan Participant at its designated site, CCEL shall provide to the Lifespan participant instructional materials, including operations manuals.
9. CCEL agrees to indemnify the Lifespan Participant for all claims, suits, judgments or damages (including court costs and attorneys' fees) arising out of any wrongful or negligent acts of CCEL or any of its agents, personnel and /or

4

staff with regard to the LIFESPAN program, and also arising out of any claims of persons or entities claiming licensing rights from CCEL for Israel.

The Lifespan Participant agrees to indemnify CCEL for all claims, suits, judgments or damages (including court costs and attorneys' fees) arising out of any wrongful or negligent acts of the Lifespan Participant or any of its agents, personnel and/or staff with regard to the LIFESPAN program.

CCEL will use its best efforts to have the Unit manufacturer's insurance company name Lifespan Participant as an additional named insured on the applicable products liability policy. Alternatively, CCEL will use its best efforts to extend whatever coverage CCEL is entitled to under that policy so that it also applies to and covers the Lifespan Participant.

10. CCEL will assist the Lifespan Participant by establishing storage protocols and standard operating procedures consistent with reasonable standards of cellular cryo-preservation, and will furnish such protocols and procedures to the Lifespan Participant. Prior to the storage of any specimen in a Unit, the Lifespan Participant agrees to obtain from the person(s) submitting such specimen for storage a signed informed consent and storage agreement, which shall be in a form previously approved by CCEL. In addition, prior to storage, the Lifespan Participant shall be responsible for obtaining a reasonably acceptable form of informed consent from all relevant persons for all associated procedures of a medical and/or related nature. Said agreement and all such forms shall comply with the laws of the State of Israel.
11. Both parties shall use their best efforts to enhance cellular storage activities; however, the Lifespan Participant shall be responsible for all marketing activities.
12. A. Subject to the subsequent provisions of this Section 12, the term of this Agreement shall commence on the date of execution of this Agreement and shall remain in effect for an initial period of ten (10) years and thereafter for further consecutive periods of ten (10) years each, unless and until this Agreement shall be terminated by either party serving on the other party not less than three hundred and sixty-five (365) days prior written notice to such effect.  
B. Notwithstanding the provisions of sub-section A, however, this Agreement may be terminated at any time:
  - (a) by written mutual agreement between parties, or
  - (b) in the event that the Lifespan Participant shall be in material breach of its monetary obligations to CCEL hereunder, and shall fail to cure such breach within sixty (60) days of receipt of a written demand.

5

C. Any material failure on the part of the Lifespan Participant to pay to

CCEL in a timely manner any and all sums due to CCEL in respect of the supply and operation of any particular Unit and related Equipment, and then to rectify such failure within sixty (60) days of receipt of a written demand, shall entitle CCEL forthwith to possess and retrieve said Unit and Equipment, provided however that CCEL shall use all reasonable efforts, in cooperation so far as possible with the Lifespan Participant, to protect the interests of all persons for whom specimens are stored in such Unit on a commercial basis, it being the responsibility of the Lifespan Participant alone to make whatever arrangements it may deem appropriate with respect to specimens occupying pro bono spaces in the Unit.

13. The Lifespan Participant agrees that, provided leasing hereunder commences as a result of the satisfaction of the condition stated in Section 3(B) and the delivery of an initial Unit and related Equipment accordingly, then as consideration for the leases of CCEL hereunder and its assistance in the development of the LIFESPAN program, the Lifespan Participant shall not, during the term of this Agreement and for a period of three (3) years thereafter, become involved in or support any paid-for cellular storage program. However, subject to any and all applicable laws and regulations, CCEL shall be entitled, throughout the term of this Agreement and thereafter, to use the database information generated by the Lifespan Participant.
14. CCEL and the Lifespan Participant agree that the terms and conditions of this Agreement may be revised at any time by means of a formal written amendment executed by both parties.
15. It is mutually agreed and understood that, in the performance of their respective responsibilities, duties and obligations hereunder and in regard to any services rendered or performed by either of them, the parties to this Agreement are at all times independent contractors, and that neither party shall have or exercise any control or direction over the method by which the other party conducts any such performance or renders any such services. Nothing in this Agreement shall be construed as creating a relationship of employer and employee, principal and agent, joint venturers or partners, or any other relationship besides that of independent contractors. Each party agrees that it is responsible for its own acts and omissions and declares that it is in no way responsible for the acts and omissions of the other party.
16. This Agreement may not be assigned by the Lifespan Participant in whole or in part without the prior written consent of CCEL (which consent shall not be unreasonably withheld). CCEL may, however, by serving written notice upon the Lifespan Participant to such effect, assign any or all of its right and obligations hereunder.

6

17. The failure of either party to this Agreement to enforce any material provision of this Agreement on any occasion shall not constitute a waiver of the right to enforce any and all of the remaining provisions of this Agreement.
18. Any notice, acceptance, request, consent, approval or other formal communication in connection with this Agreement shall be in writing and served either by personal delivery or by certified mail, return receipt requested, and shall be deemed to have been received when either personally delivered with proof of delivery or deposited in the mail, provided that every such communication sent by mail shall first be copied by facsimile transmission.

For the purposes of this Agreement, CCEL's representative is:

Daniel Richard, CEO  
CRYO-CELL International, Inc.  
604 Packard Court  
Safety Harbor, Florida 34695 USA

For the purposes of this Agreement, the Lifespan Participant's representative is:

Jacob Niv, Managing Director  
Gamida-MedEquip, Ltd.  
54 Harey Yehuda St.  
Givat Savyon, Israel

(postal address: P.O. Box 94, Savyon 56530 Israel)

In the event that different representatives or contact persons are designated by the parties after the execution of this Agreement, notices of the name and address of the new representative or contact person shall in each case be served in writing in accordance herewith and such notice attached to the originals of this Agreement.

19. This Agreement shall be governed by the laws of the State of Florida, USA, and venue for all actions shall be in that State, County of Dade.
20. This Agreement represents the entire agreement between CCEL and the Lifespan Participant and supersedes all representations, undertakings or agreements, whether oral or written, made or entered into prior to the date of execution hereof.

7

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto on the date first before written.

CRYO-CELL INTERNATIONAL, INC.

GAMIDA-MEDEQUIP, LTD.

by: /S/ DANIEL D. RICHARD  
-----  
Authorized Signatory

by: /S/ JACOB NIV  
-----  
Authorized Signatory

Name: DANIEL D. RICHARD  
-----

Name: JACOB NIV  
-----

Title: CHAIRMAN/CEO  
-----

Title: MANAGING DIRECTOR  
-----

8

LIFESPAN PARTICIPANT AGREEMENT

By and between CRYO-CELL International, Inc., 604 Packard Court, Safety Harbor, FL, 34695, (hereafter CCEL) and HNMC, Inc. (DBA Houston Northwest Medical Center), 710 FM 1960 West, Houston, TX, 77090, (hereafter Participant).

For mutual consideration between the parties which is hereby acknowledged, it is agreed:

1. Participant agrees to become a member of the Lifespan Cellular Banking Network and will receive use of a CCEL Cellular Storage Unit at no charge by CCEL. The unit is capable of storing approximately 35,000 5cc vials. The Participant agrees to store fractionated cord blood in the unit. This equipment will be located and operated by Participant at no cost to CCEL.
2. CCEL will provide the Participant the free use of a bar-code scanner, bar-code label maker, and NPBI Compomat cellular separation device (currently bags can be used for research, NPBI to get FDA approval for autologous use).
3. CCEL will provide the Participant with the pro-bono use of 880 spaces in the CCEL Cellular Storage Unit to be used for research, or any purpose other than allogeneic and "paid for" autologous storage.
4. CCEL will collect a minimum of \$50.00 in storage fees per vial per year for 33,000 autologous and allogeneic storage spaces in the CCEL Cellular Storage Unit. These funds received will be distributed as follows:
  - a. 25% (twenty-five percent) of the gross revenues will be paid to Participant or its designee,
  - b. 75% (seventy-five percent) of the gross revenue will be retained by CCEL.

CCEL will handle all of the funds generated by the Lifespan cellular storage program.

5. Participant agrees to enhance the utilization of the CCEL Cellular Storage Unit by encouraging the cryopreservation of cord/placental blood for autologous (self) use.
6. Participant agrees not to engage in a "paid for" cellular storage program except in conjunction with the CCEL Lifespan program.

Page 1

7. Participant agrees that once the CCEL units are linked together, by computer, with other Lifespan Participants, information that is not of confidential nature will be exchanged in order to enhance locating a matching donor.
8. This agreement is valid for a period of 10 (ten) years and will automatically renew for additional 5 (five) year periods unless either party notifies the other of its desire to cancel the agreement. The cancellation request must be made in writing and received by the other party at least 60 (sixty) days prior to the expiration of the agreement. If Participant does not renew the agreement, then the specimens stored in the CCEL Cellular Storage Unit will remain with the unit as it is moved. Participant agrees not to engage in "paid for" cellular storage for a period of 2 (two) years thereafter.
9. CCEL agrees to indemnify Lifespan Participant for all claims, suits, judgments or damages (including court costs and attorneys' fees) arising out of any intentional or negligent acts of CCEL or any of its agents, personnel and/or staff with regard to the Lifespan Program. Lifespan Participant agrees to indemnify CCEL for all claims, suits, judgments or damages (including court costs and attorneys' fees) arising out of any intentional or negligent acts of Lifespan Participant or any of its agents, personnel and/or staff with regard to the Lifespan Program.

Agreed to this 30th day of November, 1996.

CRYO-CELL International, Inc.

HNMC, Inc.  
Lifespan Participant

By: /s/ WILLIAM C. HARDY

By: /s/ CHARLES N. MARTIN, JR.

-----  
William C. Hardy  
President & Chief Operating Officer  
604 Packard Court

-----  
Name: Charles N. Martin, Jr.  
Title: President. Chairman & CEO  
710 FM 1960 West

Safety Harbor, FL 34695  
Phone: (813) 938-3114  
Fax: (813) 934-1007

Houston, TX, 77090  
Phone: (281) 440-1000  
Fax: (281) 440-2432

Page 2

ONE THIRD-SINGLE UNIT REVENUE SHARING PARTNERSHIP AGREEMENT

One Third-Single Unit Revenue Sharing Partnership covers 11,000 half-spaces in a unit. One-time Partnership fee: \$333,333 (one-third million dollars) or approximately \$30.30 per half-space.  
Minimum annual storage fee per space: \$50.00 (fifty dollars).  
Partnership Term: A permanent partnership shall remain in effect as long as CRYO-CELL International, Inc., and/or any successor, continue to store cellular specimens commercially.

<TABLE>  
<S> Lifespan Site: HNMC, Inc. (DBA Houston Northwest Medical Center) <C> Territory: \_\_\_\_\_  
Lifespan Director: \_\_\_\_\_ Unit No: \_\_\_\_\_  
</TABLE>

Partner's entitlement is one-half of CRYO-CELL's 75% share of the collected annual cellular storage fees generated from one-third of the storage in the above unit. Partner will receive their entitlement within 30 days (thirty days) following the end of the quarter in which CRYO-CELL received the revenues.

SINGLE UNIT REVENUE SHARING PARTNER

Name: HNMC, Inc. (DBA Houston Northwest Medical Center)  
Address: 710 FM 1960 West, Houston, TX 77090  
Phone: (281) 440-1000 Fax: (281) 440-2432

TERMS OF SINGLE UNIT  
REVENUE SHARING PARTNERSHIP  
(\$333,333)

\$ \_\_\_\_\_ non-refundable deposit

Balance of \$ \_\_\_\_\_ due within 30 days of the signing of this agreement

From a portion of their entitlement, Partner will equally bear the cost of billing and collection of annual storage fees on one-third of the storage in the above unit. In addition, they agree to pay one-sixth of the cost of the extended annual warranty fee of \$7,500.00. In no instance will Partner be ever called on for an additional cash infusion.

CRYO-CELL agrees not to offer Partnerships for any new units in the above territory until the unit identified above has generated a minimum of 33,000 "paid for" half-spaces at \$50.00 (or more) per year, so as not to negatively impact Partner's entitlement.

CRYO-CELL shall have the opportunity to operate additional units in the territory without a partnership. However, if CRYO-CELL decides to enter into such an agreement, Partner shall be granted first right of refusal to participate in a partnership for an additional unit under the same financial terms and conditions as the above unit. CRYO-CELL will, as soon as possible, refill any empty spaces that result from attrition, by immediately diverting all new storage specimens to the above unit until it has been refilled to capacity.

CRYO-CELL will hold Partner harmless against any claims resulting from cellular storage activities.

CRYO-CELL agrees to provide marketing tapes, brochures and sales aides at no cost to Partner.

Terms of this Revenue Sharing Partnership agreement cannot be changed unless mutually agreed to, in writing, by the Partner and CRYO-CELL (or any successor entity).

Agreed to this 30th day of November, 1996.

<TABLE>  
<S> CRYO-CELL International, Inc. <C> HNMC, Inc. (DBA Houston Northwest Medical Center)  
One Third-Single Unit Revenue Sharing Partner

By: /s/ WILLIAM C. HARDY By: /s/ CHARLES N. MARTIN, JR.  
-----  
William C. Hardy Name: Charles N. Martin, Jr.  
President & Chief Operating Officer Title: Chairman, President & CEO

LIFESPAN PARTICIPANT AGREEMENT

By and between CRYO-CELL International, Inc., 604 Packard Court, Safety Harbor, FL, 34695, (hereafter CCEL) and Saint Vincent Hospital, L.L.C., 25 Winthrop Street, Worcester, MA, 01604-4593, (hereafter Participant).

For mutual consideration between the parties which is hereby acknowledged, it is agreed:

1. Participant agrees to become a member of the Lifespan Cellular Banking Network and will receive use of a CCEL Cellular Storage Unit at no charge by CCEL. The unit is capable of storing approximately 35,000 5cc vials. The Participant agrees to store fractionated cord blood in the unit. This equipment will be located and operated by Participant at no cost to CCEL.
2. CCEL will provide the Participant the free use of a bar-code scanner, bar-code label maker, and NPBI Compomat cellular separation device (currently bags can be used for research, NPBI to get FDA approval for autologous use).
3. CCEL will provide the Participant with the pro-bono use of 880 spaces in the CCEL Cellular Storage Unit to be used for research, or any purpose other than allogeneic and "paid for" autologous storage.
4. CCEL will collect a minimum of \$50.00 in storage fees per vial per year for 33,000 autologous and allogeneic storage spaces in the CCEL Cellular Storage Unit. These funds received will be distributed as follows:
  - a. 25% (twenty-five percent) of the gross revenues will be paid to Participant or its designee,
  - b. 75% (seventy-five percent) of the gross revenue will be retained by CCEL.

CCEL will handle all of the funds generated by the Lifespan cellular storage program.

5. Participant agrees to enhance the utilization of the CCEL Cellular Storage Unit by encouraging the cryopreservation of cord/placental blood for autologous (self) use.
6. Participant agrees not to engage in a "paid for" cellular storage program except in conjunction with the CCEL Lifespan program.

Page 1

7. Participant agrees that once the CCEL units are linked together, by computer, with other Lifespan Participants, information that is not of confidential nature will be exchanged in order to enhance locating a matching donor.
8. This agreement is valid for a period of 10 (ten) years and will automatically renew for additional 5 (five) year periods unless either party notifies the other of its desire to cancel the agreement. The cancellation request must be made in writing and received by the other party at least 60 (sixty) days prior to the expiration of the agreement. If Participant does not renew the agreement, then the specimens stored in the CCEL Cellular Storage Unit will remain with the unit as it is moved. Participant agrees not to engage in "paid for" cellular storage for a period of 2 (two) years thereafter.
9. CCEL agrees to indemnify Lifespan Participant for all claims, suits, judgments or damages (including court costs and attorneys' fees) arising out of any intentional or negligent acts of CCEL or any of its agents, personnel and/or staff with regard to the Lifespan Program. Lifespan Participant agrees to indemnify CCEL for all claims, suits, judgments or damages (including court costs and attorneys' fees) arising out of any intentional or negligent acts of Lifespan Participant or any of its agents, personnel and/or staff with regard to the Lifespan Program.

Agreed to this 30th day of November, 1996.

CRYO-CELL International, Inc.

Saint Vincent Hospital, L.L.C.  
Lifespan Participant

By: /s/ WILLIAM C. HARDY  
-----

By: /s/ CHARLES N. MARTIN, JR.  
-----

William C. Hardy  
President & Chief Operating Officer

Name: Charles N. Martin, Jr.  
Title: Chairman, President & CEO

604 Packard Court  
Safety Harbor, FL 34695  
Phone: (813) 938-3114  
Fax: (813) 934-1007

25 Winthrop Street  
Worcester, MA, 01604-4593  
Phone: (508) 798-6211  
Fax: (508) 798-1117

Page 2

ONE THIRD-SINGLE UNIT REVENUE SHARING PARTNERSHIP AGREEMENT

One Third-Single Unit Revenue Sharing Partnership covers 11,000 half-spaces in a unit.

One-time Partnership fee: \$333,333 (one-third million dollars) or approximately \$30.30 per half-space.

Minimum annual storage fee per space: \$50.00 (fifty dollars).

Partnership Term: A permanent partnership shall remain in effect as long as CRYO-CELL International, Inc., and/or any successor, continue to store cellular specimens commercially.

Lifespan Site: Saint Vincent Hospital, L.L.C. Territory: \_\_\_\_\_

Lifespan Director: \_\_\_\_\_ Unit No: \_\_\_\_\_

Partner's entitlement is one-half of CRYO-CELL's 75% share of the collected annual cellular storage fees generated from one-third of the storage in the above unit. Partner will receive their entitlement within 30 days (thirty days) following the end of the quarter in which CRYO-CELL received the revenues.

SINGLE UNIT REVENUE SHARING PARTNER

Name: Saint Vincent Hospital, L.L.C.

Address: 25 Winthrop Street, Worcester, MA, 01604-4593

Phone: (508) 798-6211

Fax: (508) 798-1117

TERMS OF SINGLE UNIT  
REVENUE SHARING PARTNERSHIP  
(\$333,333)

\$ \_\_\_\_\_ non-refundable deposit

Balance of \$ \_\_\_\_\_ due within 30 days of the signing of this agreement

From a portion of their entitlement, Partner will equally bear the cost of billing and collection of annual storage fees on one-third of the storage in the above unit. In addition, they agree to pay one-sixth of the cost of the extended annual warranty fee of \$7,500.00. In no instance will Partner be ever called on for an additional cash infusion.

CRYO-CELL agrees not to offer Partnerships for any new units in the above territory until the unit identified above has generated a minimum of 33,000 "paid for" half-spaces at \$50.00 (or more) per year, so as not to negatively impact Partner's entitlement.

CRYO-CELL shall have the opportunity to operate additional units in the territory without a partnership. However, if CRYO-CELL decides to enter into such an agreement, Partner shall be granted first right of refusal to participate in a partnership for an additional unit under the same financial terms and conditions as the above unit. CRYO-CELL will, as soon as possible, refill any empty spaces that result from attrition, by immediately diverting all new storage specimens to the above unit until it has been refilled to capacity.

CRYO-CELL will hold Partner harmless against any claims resulting from cellular storage activities.

CRYO-CELL agrees to provide marketing tapes, brochures and sales aides at no cost to Partner.

Terms of this Revenue Sharing Partnership agreement cannot be changed unless mutually agreed to, in writing, by the Partner and CRYO-CELL (or any successor entity).

Agreed to this 30th day of November, 1996.

CRYO-CELL International, Inc.

Saint Vincent Hospital, L.L.C.  
One Third-Single Unit Revenue  
Sharing Partner

By: /s/ WILLIAM C. HARDY  
-----

By: /s/ CHARLES N. MARTIN, JR.  
-----

William C. Hardy

Name: Charles N. Martin, Jr.



President & Chief Operating Officer

Title: Chairman, President & CEO

LIST OF SUBSIDIARIES

Safti Cell Incorporated, Delaware  
CCEL Immune System Technologies, Inc., Delaware  
CCEL Bio-Therapies, Inc., Delaware  
CCEL Expansion Technologies, Inc., Delaware  
CCEL Lifespan/service mark/Network, Inc., Delaware

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	YEAR
<FISCAL-YEAR-END>	NOV-30-1996
<PERIOD-START>	DEC-01-1996
<PERIOD-END>	NOV-30-1996
<CASH>	1,079,531
<SECURITIES>	0
<RECEIVABLES>	676,033
<ALLOWANCES>	2,500
<INVENTORY>	13,628
<CURRENT-ASSETS>	1,789,531
<PP&E>	2,152,416
<DEPRECIATION>	107,962
<TOTAL-ASSETS>	4,207,724
<CURRENT-LIABILITIES>	518,594
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	71,520
<OTHER-SE>	3,587,610
<TOTAL-LIABILITY-AND-EQUITY>	4,207,724
<SALES>	2,669,616
<TOTAL-REVENUES>	2,669,616
<CGS>	292,708
<TOTAL-COSTS>	1,658,737
<OTHER-EXPENSES>	(31,162)
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	14,135
<INCOME-PRETAX>	735,198
<INCOME-TAX>	44,829
<INCOME-CONTINUING>	610,740
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	610,740
<EPS-PRIMARY>	0.09
<EPS-DILUTED>	0.09

</TABLE>