

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

FORM 10-QSB

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934. For the quarterly period  
ended May 31, 2003

Transition report pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934.  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-23386

CRYO-CELL INTERNATIONAL, INC.

-----  
(Exact name of Small Business Issuer as Specified in its Charter)

DELAWARE

22-3023093

-----  
(State or other Jurisdiction  
of Incorporation or  
Organization)

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

3165 McMullen Booth Road, Building B, Clearwater, Florida 33761

-----  
(Address of Principal Executive Offices) (Zip Code)

Issuer's phone number, including area code: (727) 450-8000

-----  
(Former name, former address and former fiscal year, if changed since last  
report).

State the number of shares outstanding of each of the Registrant's classes of  
common stock, as of the latest practicable date. As of July 15, 2003, 11,997,540  
shares of \$0.01 par value common stock were outstanding (including 645,161  
shares held by the Company's majority-owned subsidiary, Stem Cell Preservation  
Technologies, Inc.).

Transitional Small Business Disclosure Format (check one). Yes / / No

CRYO-CELL INTERNATIONAL, INC.

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

<TABLE>  
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	ASSETS	
	-----	
November 30,	May 31,	
2002	2003	
-----	-----	-----
	(Unaudited)	
(As Restated)	<C>	<C>
<S>		
Current Assets		
- -----		
Cash and cash equivalents	\$	692,266
1,935,532		
Marketable securities		3,027,726
3,127,843		
Accounts receivable and advances (net of allowance for		
doubtful accounts of \$142,010 and \$89,010)		197,576
281,911		
Receivable-Revenue Sharing Agreement		650,000
-		
Receivable - Affiliates (net of allowance for doubtful accounts of \$128,540)		237,360
412,071		
Notes receivable (net of allowance for doubtful accounts of \$66,000 and \$41,000)		205,750
210,750		
Prepaid expenses and other current assets		308,016
112,115		
-----		
Total current assets		5,318,694
6,080,222		
-----		
Property and Equipment-net		2,541,440
2,632,831		
- -----		
Other Assets		
- -----		
Intangible assets (net of amortization of \$81,048 and \$77,127, respectively)		97,640
102,345		
Marketable securities		167,831
-		
Receivable-Revenue sharing agreements		1,552,064
332,895		
Investment in Saneron CCEL Therapeutics, Inc.		1,820,526
1,914,826		
Investment in European Affiliates		739,667
739,667		
Deferred consulting fees		1,363,314
1,438,412		
Deposits		175,411
175,161		
-----		
Total other assets		5,916,453
4,703,306		
-----		
	\$	13,776,587
13,416,359		
=====		

LIABILITIES AND STOCKHOLDERS' EQUITY

November 30, May 31,  
2003

2002

	-----	--
		(Unaudited)
(As Restated)		
Current Liabilities		
-----		
Accounts payable	\$          398,512	\$
391,269		
Accrued expenses and withholdings	945,322	
1,217,407		
-----		
Total current liabilities	1,343,834	
1,608,676		
-----		
Other Liabilities		
-----		
Deferred revenue	3,167,769	
2,228,164		
Long-Term Liability-Revenue sharing agreements	6,416,666	
4,416,666		
Deferred consulting obligation	1,398,571	
1,455,688		
-----		
Total other liabilities	10,983,006	
8,100,518		
-----		
Minority Interest	-	
-		
-----		
Stockholders' Equity		
-----		
Preferred stock (\$.01 par value, 500,000 authorized and none issued)	-	
-		
Common stock (\$.01 par value, 20,000,000 authorized; 11,352,379 at May 31, 2003, and 11,352,379 at November 30, 2002 issued and outstanding)	113,524	
113,524		
Additional paid-in capital	23,025,166	
23,012,760		
Accumulated other comprehensive loss income (387,997)	(425,080)	
(387,997)		
Accumulated deficit (19,031,122)	(21,263,863)	
(19,031,122)		
-----		
Total stockholders' equity	1,449,747	
3,707,165		
-----		
	\$          13,776,587	\$
13,416,359		
=====		

</TABLE>

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

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS  
(Unaudited)

<TABLE>  
<CAPTION>

	Three Months Ended		Six Months Ended	
	-----		-----	
	May 31, 2003	May 31, 2002	May 31, 2003	May 31, 2002
	-----	-----	-----	-----
---				
		(As Restated)		(As
Restated)				
<S>	<C>	<C>	<C>	<C>

Revenue	\$ 1,632,436	\$ 1,646,629	\$ 3,063,170	\$
3,054,970	-----	-----	-----	-----
---				
Costs and Expenses:				
Cost of sales	672,484	554,067	1,300,220	
1,071,910				
Marketing, general & administrative expenses	1,867,123	1,595,492	3,475,486	2,474,619
Research, development and related engineering	33,672	20,651	65,390	
45,739				
Depreciation and amortization	80,151	119,120	162,658	
238,239	-----	-----	-----	-----
---				
Total cost and expenses	2,653,430	2,289,330	5,003,754	
3,830,507	-----	-----	-----	-----
---				
Operating Loss	(1,020,994)	(642,701)	(1,940,584)	
(775,537)	-----	-----	-----	-----
---				
Other (Expense) Income:				
Interest Income	15,310	13,175	45,789	
35,533				
Interest Expense	(151,590)	(80,740)	(277,693)	
(138,387)				
Other Income	45,006	266,221	77,812	
666,221				
Other Expense	-	(107,500)	-	
(107,500)				
Loss on Sale of Marketable Securities	(24,753)	-	(24,753)	
-	-----	-----	-----	-----
---				
Total other (expense) income	(116,027)	91,156	(178,845)	
455,867	-----	-----	-----	-----
---				
Income (loss) before minority interest				
and equity in earnings of affiliates	(1,137,021)	(551,545)	(2,119,429)	
(319,670)	-----	-----	-----	-----
---				
Income Taxes	(141,101)		(141,101)	
-				
Equity in earnings of affiliates	4,032	(45,170)	27,788	
(269,989)				
Minority Interest	-	(24,846)	-	
(37,838)	-----	-----	-----	-----
---				
	(137,069)	(70,016)	(113,313)	
(307,827)	-----	-----	-----	-----
---				
Net Loss	\$ (1,274,090)	\$ (621,561)	\$ (2,232,742)	\$
(627,497)	=====	=====	=====	
=====				
Net income (loss) per common share - basic and diluted	(\$0.11)	(\$0.05)	(\$0.20)	
(\$0.06)	=====	=====	=====	
=====				
Number of Common Shares Used In Computation				
Basic and diluted	11,352,379	11,339,379	11,352,379	
11,335,165	=====	=====	=====	
=====				
Comprehensive loss:				
Net loss:	\$ (1,274,090)	\$ (621,561)	\$ (2,232,742)	\$
(627,497)				
Other comprehensive income (loss):				

Net change in unrealized loss (55,516)	55,950	(11,512)	(61,836)
Reclassification adjustment for losses included in net loss	24,753	-	24,753
---	-----	-----	-----
Comprehensive loss (683,013)	\$ (1,193,387)	\$ (633,073)	\$ (2,269,825)
=====	=====	=====	=====

</TABLE>

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

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CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

<TABLE>  
<CAPTION>

	Six Months Ended	
	May 31, 2003	May 31, 2002
	-----	-----
--		(As
Restated)		
<S>	<C>	<C>
Cash Flows from Operating Activities:		
Net Loss	\$ (2,232,742)	\$
(627,497)		
Adjustments to reconcile net loss to cash used for operating activities:		
Depreciation and amortization	193,136	255,689
Loss on sale of marketable securities	24,753	-
Compensatory element of stock options	12,408	52,416
Provision for doubtful accounts	78,000	
-		
Dividend income reinvested in marketable securities	(7,464)	-
Equity (income) loss in earnings of affiliates	(27,788)	269,989
Minority interest	-	
37,838		
Changes in assets and liabilities:		
Accounts receivable and advances	31,335	
(45,259)		
Receivable - Affiliates	174,711	
(164,864)		
Notes receivable	(20,000)	
(200,000)		
Deferred consulting fee	75,098	
-		
Prepaid expenses and other current assets	(195,901)	34,042
Deposits	(250)	
12,684		
Investment-option to purchase	-	
100,000		
Accounts payable	7,244	
475,727		
Deferred revenue	939,605	
(323,814)		
Revenue sharing agreements	80,831	
46,725		
Accrued expenses and withholdings	(270,679)	437,565
--	-----	-----
Net cash (used in) provided by operating activities	(1,137,703)	361,241
--	-----	-----
Cash flows from investing activities:		
Purchases of property and equipment	(97,040)	
(567,376)		
Payments for intangible assets	-	
(608)		
Purchase of marketable securities	-	
22,772	-----	-----

--	Net cash used in investing activities	(97,040)	
	(545,212)		
--			
	Cash flows from financing activities:		
	Proceeds from the sale of subsidiary's securities	-	521,770
	Private placement fees	-	
	(67,340)		
	Stock subscription receivable	-	
	(5,000)		
	Proceeds from the exercise of stock options and sale of warrants	-	43,000
	Proceeds from revenue sharing agreements	50,000	-
	Repayments of deferred consulting obligation	(57,117)	-
	Repayment of capital leases	(1,406)	
	(4,681)		
--	Net cash provided by financing activities	(8,523)	487,749
--			
	(Decrease) increase in cash and cash equivalents	(1,243,266)	303,778
	Beginning of period	1,935,532	
	5,540,751		
--	End of period	\$ 692,266	\$
	5,844,529		

Supplemental disclosure of cash flow information:

	Interest	\$ 277,693	\$
	138,387		
	Income taxes	\$ 141,101	\$
	-		

Supplemental schedule of non-cash investing and financing activities:

	Change in unrealized loss as a component of investments	\$ (122,087)	\$
	-		
	Change in unrealized gain (loss) as a component of marketable securities	\$ 85,004	\$
	(37,083)		

</TABLE>

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

CRYO-CELL INTERNATIONAL, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
May 31, 2003  
(Unaudited)

Note 1 - Basis of Presentation

The unaudited condensed consolidated financial statements including the Condensed Consolidated Balance Sheets as of May 31, 2003 and November 30, 2002, Condensed Consolidated Statements of Operations and Comprehensive Loss for the quarter and six months ended May 31, 2003 and May 31, 2002, and Cash Flows for the six months ended May 31, 2003 and May 31, 2002 have been prepared by CRYO-CELL International, Inc. ('the Company'). In the opinion of Management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and changes in cash flows for all periods presented have been made.

The unaudited consolidated condensed financial statements herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial reporting. Certain financial information and

note disclosures which are normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's November 30, 2002 Annual Report on Form 10-KSB as amended.

In April 2003, upon the advice of its then auditors, management reviewed its policy of recognition of revenue from the sale of revenue sharing agreements and annual storage fees. Management along with its prior auditors, who had previously opined upon the Company's financial statements for the years ended November 30, 2002 and 2001, sought the guidance of the staff of the Office of the Chief Accountant of the Securities and Exchange Commission. Based on discussions among the parties, management determined that the accounting treatment of the revenue sharing agreements and the storage revenue policies should be changed and the Company's previously issued financial statements restated (refer to Note 7).

#### Revenue Recognition for Enrollment Fees

During the first quarter of 2003, the Company changed its method of recognizing enrollment fee revenue. Through November 30, 2002, the Company recognized enrollment fees upon completion of the enrollment into the U-Cord storage program. Beginning December 1, 2002, enrollment fees and the related direct and incremental costs associated with these fees are deferred and recognized once the processing of the specimens is complete. Had the accounting treatment been in effect the accumulated deficit would have been \$102,000 greater than previously reported as of November 30, 2002. The cumulative impact of the change, including the impact of approximately \$27,000 in the current period, is reflected in the six months ended May 31, 2003. Management does not believe that the impact of this adjustment is material to the November 30, 2002 financial statements (as restated), or to the projected operating results and earnings trend for the year ending November 30, 2003.

#### Reclassification

Certain reclassifications have been made to the November 30, 2002 financial statements to conform to the 2003 quarterly presentation, including the reclassification of the minority interest liability into additional paid-in capital.

#### Note 2 - Earnings per Common Share

Earnings (Loss) per share data is based on net income (loss) and not comprehensive income (loss). Basic earnings (loss) per share for the quarter and six-month period ended May 31, 2003 and May 31, 2002

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were computed by dividing net income by the weighted average number of common shares outstanding during the period. The Company did not present diluted earnings per share, as the effect of potentially dilutive shares from outstanding stock options would be antidilutive.

#### Note 3 - Legal Proceedings

The Company is involved in the following legal proceedings:

On February 22, 2002 the Company received a complaint filed by Pharmastem Therapeutics, Inc. in the United States District Court of Delaware (Wilmington), Case No. 02-CV-198, alleging patent infringement. Pharmastem, a Delaware corporation, has named eight companies (two of which are now out of business) involved in cord blood banking. The suit seeks an injunction against the companies, an unspecified amount of damages or royalties, treble damages and attorney's fees. The Company has consulted with their patent attorney who believes that the asserted patents are not valid and even if valid, believes that CRYO-CELL's business of collecting, processing and cryo-preserving cord blood cells does not infringe either of the asserted patents. The Company also notes that corresponding patents in other jurisdictions outside the United States have been invalidated or abandoned. The litigation is still in the discovery stage, with trial scheduled for October 2003.

In March 2003, CRYO-CELL Europe, N.V. ("CCEU") was served with a letter terminating the Company's license agreement with a CCEU affiliate. On April 15, 2003, the Company commenced legal proceedings against CCEU and an affiliated corporation in the Hague, Netherlands, for a preliminary injunction restraining CCEU from using the "CRYO-CELL" name. On or about May 30, 2003, the Company voluntarily withdrew its preliminary injunction application, and it plans to file a new preliminary injunction proceeding seeking the same relief shortly.

On April 17, 2003, the Company filed a lawsuit against CCEU in the Circuit Court of the Sixth Judicial District in the State of Florida, seeking to recover money damages for unpaid royalty payments due under the license agreement with the Company. The Company had previously advised CCEU that, by the Company's

calculation, CCEU owed the Company \$323,562 in unpaid royalties. The license agreement granted COLTEC, Ltd. and its affiliates an exclusive license to market the Company's U-Cord program in Europe, and allowed them to directly market the U-Cord program, sell revenue sharing agreements or further sub-license the marketing rights throughout Europe. COLTEC, Ltd. subsequently assigned the license agreement to an affiliated company.

Between May and July 2003, six putative class action complaints were filed against the Company, certain current and former officers and directors of the Company and two accounting firms who previously audited the Company's financial statements. All six complaints allege violations of federal securities laws, including improper recognition of revenue in the financial statements presented in certain public reports of the Company. The complaints generally seek among other things, certification of a class of persons who purchased the Company's common stock between March 16, 1999 and May 20, 2003 and unspecified damages. The Company has not yet responded to any of the complaints. The Company believes the complaints are without merit and intends to defend the litigation vigorously.

#### Note 4 - Investments in Subsidiaries and Affiliates

##### Saneron CCEL Therapeutics, Inc.

On October 10, 2001, the Company's subsidiary, CCEL Bio-Therapies, Inc. (CCBT), effected the July 10, 2001 merger agreement with Saneron Therapeutics, Inc. (STI) with CCBT remaining as survivor. As a result of the merger CCBT's name was changed to Saneron CCEL Therapeutics, Inc. (SCTI). The STI

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stockholders received 56.58% of the merged entity and the Company retained a 43.42% interest in the merged entity. The Company's ownership interest of approximately 43% of SCTI is accounted for under the equity method of accounting along with approximately \$1,300,000 that represents goodwill and is reflected in the investment balance. For the six months ended May 31, 2003, the Company recorded equity in income of SCTI operations of approximately \$28,000 and recorded a charge to other comprehensive loss of approximately \$122,000 related to the temporary decline in the price of the Company's common stock currently held as an investment by SCTI as a result of the merger. For the six months ended May 31, 2002, the Company recorded equity in losses of SCTI in operations of approximately \$270,000. In February 2003, an independent valuation appraised the Company's approximate 43% minority stake in SCTI at \$3 million. The SCTI investment, including the portion that represents goodwill, is reflected on the balance sheet as of May 31, 2003 at approximately \$1,820,000.

##### Stem Cell Preservation Technologies, Inc.

The Board of Directors of the Company declared a dividend payable in shares of common stock of the Company's subsidiary, Stem Cell Preservation Technologies, Inc. (SCPT) on July 25, 2001. The Company's stockholders of record on August 31, 2001 are to receive three (3) shares of SCPT common stock for every four (4) shares of the Company's common stock the Company's stockholders own as of the record date of August 31, 2001. An independent appraisal valued SCPT as of August 31, 2001 at \$62,500, or less than \$0.01 per share, as adjusted for a forward split of 1,350 to 1 in September 2001.

The Board of Directors of the Company on August 21, 2001 set aside 1,000,000 shares of the common shares of SCPT (as adjusted for the September 2001 forward split) owned by CRYO-CELL International, Inc. for the purpose of incentives for the recruiting of and rewarding of key SCPT executives. SCPT cancelled these shares and retired these shares. During fiscal 2001, three officers of SCPT had received stock grants of 25,000 common shares each under this plan for services rendered and 925,000 common shares are available for future issuance. The fair value of the shares granted was \$1,500, which was charged to operations.

The Company's Board of Directors on August 29, 2001 granted options to purchase an aggregate of 850,000 common shares of SCPT at \$0.02 per share to four officers of the Company. The grant price was in excess of the fair value of the shares at the date of grant. Three of the officers exercised their options for 805,000 common shares and at May 31, 2003 an option for 45,000 of these shares to the Company's former President was not exercised. The Board of Directors of the Company also authorized the issuance of 195,000 common shares of SCPT to Saneron CCEL Therapeutics, Inc.

In July 2001, SCPT entered into a financing agreement with Financial Holdings and Investments Corp. ("FHIC") whereby SCPT borrowed \$500,000 as evidenced by an 8% interest bearing note payable no later than thirteen months from the date of the note provided SCPT shall repay \$300,000 of the principal if and when SCPT realizes \$1,500,000 from the sale of its securities. SCPT agreed to issue FHIC 250,000 shares (as per May 22, 2002 amendment below, shares reduced to 150,000) of its common shares, as adjusted for the September 2001 forward split, as additional compensation. SCPT's counsel also received 45,000 common shares for its legal services. Both issuances of shares were valued at



their fair value of \$3,400 and reflected in the accompanying financial statements as deferred financing costs. SCPT used \$300,000 of the proceeds received as payment for its investment in CRYO-CELL Europe NV and CRYO-CELL Italia, S.r.l.

On November 1, 2001, SCPT offered for sale 1,250,000 shares of its common stock at \$2.00 per share in a private placement offering through a private placement agent, Newbridge Securities Corporation, a subsidiary of FHIC. The placement agent was to receive a commission of 10% of the gross proceeds from the offering and a non-accountable expense reimbursement of 3% of the gross sale proceeds. The placement

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agent originally was to receive warrants to acquire 25,900 common shares exercisable at \$2.20 per share. As per the May 22, 2002 debt conversion agreement (see below), the warrant issuance was cancelled in exchange for the issuance of 22,500 common shares. The number of shares purchasable under these warrants is equal to 10% of the shares sold under the private offering. The offering period originally terminated on December 31, 2001 but was extended until February 28, 2002. By the closing of the offering on February 28, 2002, accredited investors subscribed for 259,000 common shares at \$2.00 per share for a total of \$518,000. Offering costs amounted to \$126,170. Of the 13,279,000 issued and outstanding common shares of SCPT at November 30, 2002, the Company owned 11,500,000 (86.6%) shares. Upon payment of the dividend the Company will own approximately 3,200,000 (24.9%) shares of SCPT.

On May 22, 2002, FHIC agreed to convert the \$500,000 note and accrued interest thereon into 250,000 shares of SCPT's common stock and was paid an incentive fee of \$20,000 to convert the note into the common shares. The conversion agreement also required FHIC to reduce the 250,000 shares of SCPT's common stock received as additional compensation under the original terms of the July 2001 financing agreement to 150,000 shares in full satisfaction.

In August 2002, the Company contributed \$600,000 cash and 645,161 shares of its common stock (valued at \$2,400,000 on the date of contribution) to SCPT to acquire a revenue sharing agreement for the States of Illinois and New York from SCPT. The transaction was accounted for on each entity's books at historical cost, with no cost basis for the stock. The additional contribution and the related revenue sharing agreement were eliminated in consolidation.

Through November 30, 2002 aggregate losses attributable to the minority interest exceeded the minority's interest in the equity capital of SCPT. As a result, minority interest on the balance sheet as of May 31, 2003 is reflected at \$0, and the Company has recognized 100% of the losses of SCPT in its statement of operations during the quarter and six months ended May 31, 2003 (approximately \$30,000, and 60,000, respectively).

The Company anticipates the spin-off of SCPT as a separate public company to occur as soon as possible. In connection with the spin-off, all shareholders of record of the Company on August 31, 2001 are expected to receive three shares of SCPT for every four shares of CRYO-CELL stock that they owned. The payment date of the shares to be distributed will follow the effective date of a registration statement covering the stock dividend. SCPT continues its efforts to complete the registration process and be declared effective by the Securities and Exchange Commission (SEC). It is SCPT's intent to re-file the pre-effective amendment for SCPT as soon as SCPT's financials are updated following CRYO-CELL's filing of the first and second quarters of 2003.

#### Note 5 - Stem Cell Preservation Technologies, Inc. Revenue Sharing Agreement

In May 2003, the Company's majority owned subsidiary SCPT entered into a Revenue Sharing Agreement (RSA) with an independent limited liability company ('LLC'). SCPT is to receive \$2,000,000 payable in varying installments through March 2007 with interest at 4%. As of July 2003, \$250,000 has been received under the terms of this agreement. The LLC is entitled to receive, for an indefinite period, a fee for each adult stem cell specimen stored by SCPT for persons located in the State of California up to 75,000 specimens. The fee is \$17.50 per specimen per year.

#### Note 6 - Stock Options

The Company accounts for stock options under Accounting Principles Board Opinion No. 25 ("APB No. 25"), under which no compensation expense has been recognized. In October 1995, the FASB issued

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SFAS No. 123, Accounting for Stock-Based Compensation, which is effective for years beginning after December 15, 1995. SFAS No. 123 established financial accounting and reporting standards for stock-based employee compensation plans. The statement defines a fair value based method of accounting for an employee stock option or similar equity instrument and encourages all entities to adopt

that method of accounting for all of their stock compensation plans. However, it also allows an entity to continue to measure compensation costs for those plans using the intrinsic value based method of accounting prescribed by APB No. 25, but requires pro forma disclosure of net income and earnings per share for the effects on compensation expense had the accounting guidance for SFAS No. 123 been adopted.

On December 31, 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure. SFAS No. 148 amends SFAS No. 123 to provide alternative methods of transition to SFAS No. 123's fair value method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 to require disclosure effects of an entity's accounting policy with respect to stock-based employee compensation on reported earnings in interim financial statements. The disclosure provisions of SFAS No. 148 are applicable to all companies with stock-based employee compensation. SFAS No. 148 is effective for fiscal years ending after December 15, 2002 and for interim periods beginning after December 15, 2002. The Company does not plan to transition to the fair value based method of accounting for stock-based employee compensation and has adopted the disclosure requirements of SFAS 148 as of December 1, 2002.

Had SFAS No. 123 been implemented, the Corporation's net loss and loss per share would have been increased to the amounts indicated below for the quarter and six months ended May 31, 2003 and May 31, 2002:

<TABLE>  
<CAPTION>

	Three Months Ended		Six Months Ended	
	May 31, 2003	May 31, 2002	May 31, 2003	May 31, 2002
<S>	<C>	<C>	<C>	<C>
Net Loss, as reported	(\$1,274,090)	(\$621,561)	(\$2,232,742)	(\$627,497)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	(71,246)	(155,473)	(244,441)	(310,945)
Pro forma net loss	(\$1,345,336)	(\$777,034)	(\$2,477,183)	(\$938,442)
Loss per share:				
Basic and diluted-as reported	(\$.11)	(\$.05)	(\$.20)	(\$.06)
Basic and diluted-pro forma	(\$.12)	(\$.07)	(\$.22)	(\$.08)

</TABLE>

Note 7 - Restatement

For the quarter and six months ended May 31, 2002, the restatement as described in Note 1 relating to the revenue sharing agreements did not have a material impact on the Company's results of operating and financial condition. A summary of significant effects of the restatement of the annual storage fees for the quarter and six months ended May 31, 2002 are as follows:

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<TABLE>  
<CAPTION>

	Three Months Ended		Six Months Ended	
	May 31, 2002		May 31, 2002	
	(As Restated)	(As Previously Reported)	(As Restated)	(As Previously Reported)
<S>	<C>	<C>	<C>	<C>
Revenue	\$1,646,629	\$1,792,345	\$3,054,970	\$3,277,131
Net loss	(\$621,560)	(\$273,057)	(\$627,497)	(\$226,414)
Loss per share	(\$.05)	(\$.02)	(\$.06)	(\$.02)
Shares used in computation	11,339,379	11,339,379	11,335,165	11,335,165

</TABLE>

Note 8 - Nasdaq

On June 24, 2003, the Company announced that its common stock will continue

to be listed on The Nasdaq SmallCap Market as a result of an exception granted by the Nasdaq Listing Qualifications Panel related to the requirement that the Company file its periodic reports with the Securities and Exchange Commission on a timely basis. The Company had failed to meet this requirement as of April 14, 2003; however, the Company was granted a temporary exception from this standard subject to the Company meeting certain conditions for accomplishing the filing of its periodic reports with the Securities and Exchange Commission. The Company filed an amended Form 10-KSB on June 27, 2003, as required under the terms of the Nasdaq exception. On or before July 15, 2003, the Company must also file its Form 10-QSB for the three months ended May 31, 2003, evidencing compliance with all requirements for continued listing on The Nasdaq SmallCap Market. Further, on or before October 15, 2003, the Company must file the Form 10-QSB for the quarter ending August 31, 2003, evidencing compliance with all requirements for continued listing on The Nasdaq SmallCap Market. In the event the Company is deemed to have met the terms of the exception, it shall continue to be listed on The Nasdaq SmallCap Market. The Company is filing this Form 10-QSB for the second quarter of fiscal 2003 on a timely basis. However, the Company's reported stockholders' equity as of May 31, 2003 is \$1,449,747, which is lower than the \$2,500,000 minimum stockholders' equity requirement for inclusion on The Nasdaq SmallCap Market. This shortfall results from the restatement of the Company's financial statements reflected in the amended Form 10-KSB and from continued losses through May 31, 2003. The Company has requested that the Nasdaq Listing Qualifications Panel grant an extension for compliance with the minimum stockholders' equity requirement, based on the Company's confidence that it can return to compliance with this requirement. However, there can be no assurance that the Panel will grant an extension, or that the Company will be able to comply with the other terms of the exception and maintain its listing. If at some future date the Company's securities should cease to be listed on The Nasdaq SmallCap Market, they may continue to be listed on the OTC Bulletin Board, or the Company may file for a listing on an alternative exchange. For the duration of the exception, the Company's Nasdaq symbol will be "CCEC".

#### Note 9 - Marketable Securities

During the second quarter 2003, the Company sold approximately \$3,100,000 in marketable securities that were accounted for under SFAS 115, Accounting for Certain Debt and Equity Instruments (SFAS 115). In accordance with SFAS 115, the Company recorded a realized loss of approximately \$25,000. The proceeds from the sale were reinvested in certain marketable securities and cash equivalents, which are reflected on the May 31, 2003 balance sheet at approximately \$3,000,000 and \$95,000, respectively. Included within marketable securities, are certificates of deposit that are not accounted for under SFAS 115 and a bond investment of approximately \$2,000,000 that has been classified as held to maturity in accordance with SFAS 115.

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#### Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations.

##### Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the consolidated financial statements and accompanying notes. The SEC has defined a company's critical accounting policies as the ones that are most important to the portrayal of the company's financial condition and results of operations, and which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. The Company believes that its estimates and assumptions are reasonable under the circumstances; however, actual results may vary from these estimates and assumptions. We have identified the following critical accounting policies that affect the more significant judgments and estimates used in the preparation of the consolidated financial statements.

##### Investments

The Company has made several significant investments in entities that operate in related businesses. The Company has made these investments in order to expand into international markets and be involved in the area of stem cell research. The Company accounts for these investments under either the cost or equity method, as applicable and periodically, and at least annually, reviews its investments for possible impairment and, if necessary, adjusts the carrying value of such investments.

##### Revenue Sharing Agreements

The Company has entered into Revenue Sharing Agreements ("RSAs") with various parties whereby these parties contracted with the Company for a percentage of future storage revenues the Company generates from clients in specific geographical areas. The parties typically pay the Company a

non-refundable up-front fee for the rights to these future payments. The Company had recognized these non-refundable fees as revenue. The Company, after discussions with its prior auditors and the staff of the Office of the Chief Accountant at the SEC, presently records this up-front fee as a long-term liability. These agreements can take considerable time to negotiate and finalize. Given the criteria under which these RSAs are established, cash receipts from these contracts can fluctuate from period to period. The Company periodically, and at least annually, reviews its RSA receivables for collectibility. All payments made to the other parties to the RSAs are recognized as interest expense. At such time as the total payments can be determined, the Company will commence amortizing these liabilities under the effective interest method.

#### License and Royalty Agreements

The Company enters into licensing agreements with certain investors in various international markets in an attempt to capitalize on the Company's technology. The investors typically pay a licensing fee for the exclusive rights to use the Company's marketing programs, technology and know-how in a selected area. The investor may be given a right to sell sub-license agreements as well. In addition to the license fee, the Company earns royalties on subsequent processing and storage revenues by the investor in the selected area and a fee on any sub-license agreements that are sold by the investor where applicable. As part of the accounting for license and royalty revenue, the Company uses estimates and judgments in determining the timing and amount of revenue to recognize. The Company periodically, and at least

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annually, reviews license and royalty receivables for collectibility and, if necessary, will record an expense for an allowance for an uncollectible account.

#### Marketable Securities

The Company has certain investments in certificates of deposit and bond investments, which area categorized as marketable securities. The Company believes these are conservative investments with a low risk for any loss of principal. The Company regularly assesses its marketable security investments for impairment and adjusts its investment strategy as it deems appropriate.

#### Litigation

The Company is periodically involved in litigation and regulatory proceedings incidental to the conduct of our business and expect that we will be involved in such litigation and regulatory proceedings from time to time. The Company regularly reviews any such litigation and regulatory proceedings for possible adverse outcomes, and provides estimates for the possible liability to the Company from such adverse outcomes, as it considers appropriate.

#### Results of Operations - Six month period ending May 31, 2003

Revenues. Revenues for the six months ended May 31, 2003 were \$3,063,170 as compared to \$3,054,970 for the same period in 2002 representing a .3% increase. The increase was driven primarily by an increase in recurring annual storage fee revenue. The number of new specimens processed during the six months ended May 31, 2003 decreased 14% compared to the same period in 2002. It is management's opinion that certain incorrect rumors relative to the Company and its operations affected revenues for the six months ended May 31, 2003. The Company has and will continue to proactively correct the mistated items within the marketplace. On May 5, 2003 the Company implemented a price increase of \$140 effecting its enrollment, processing and testing fees. The impact of this increase was diminimus for the current reporting period, but is anticipated to have a positive impact on revenue and gross profit during the fiscal third and fourth quarters.

During the first quarter of 2003, the Company changed its method of recognizing enrollment fee revenue. Through November 30, 2002, the Company recognized enrollment fees upon completion of the enrollment into the U-Cord storage program. Beginning December 1, 2002, enrollment fees and the related direct and incremental costs associated with these fees are deferred and recognized once the processing of the specimens is completed. Had the accounting treatment been in effect the accumulated deficit would have been \$102,000 greater than previously reported as of November 30, 2002. The cumulative impact of the change, including the impact of approximately \$27,000 during the current period, is reflected in the six months ended May 31, 2003. Management does not believe that the impact of this adjustment is material to the November 30, 2002 financial statements (as restated), or to the projected operating results and earnings trend for the year ending November 30, 2003.

Cost of Sales. Cost of sales for the six months ended May 31, 2003 were \$1,300,220 as compared to \$1,071,910 for the same period in 2002 representing a 21% increase. Cost of sales were 42% of revenues for the six months ended May 31, 2003 compared with 35% for the six months ended May 31, 2002. The increase in cost of sales is attributable to an increase in wages and supplies associated

with new enhancements to the existing production procedures and quality systems in the processing of cord blood specimens at the Company's laboratory in Clearwater, Florida and the costs associated with storage of specimens at the Safti-Cell facility in Arizona which commenced in October 2002.

Marketing, General and Administrative Expenses. Marketing, general and administrative expenses during the six months ended May 31, 2003 were \$3,475,486 as compared to \$2,474,619 in 2002 representing a 40% increase. Marketing, general and administrative expenses were 113% of revenues for the six months ended May 31, 2003 compared to 81% for the six months ended May 31, 2002. The increase is primarily the result of an increase in legal fees of \$616,000 and increased expenses of SCPT of approximately \$277,000 relating to start-up operational expenses offset by a reduction in salaries and wages of \$188,000 mainly due to the one-time retirement bonus paid to the former Chairman during the six months ended May 31, 2002. The net effect of these items accounted for \$705,000 or 70% of the increase. The increase in legal fees is attributable to several reasons, principally several legal actions. The Company cannot provide assurance that legal fees will be reduced in the foreseeable future. SCPT's marketing, general and administrative expenses during the six months ended May 31, 2003 were \$394,940 compared with \$118,363 for the six months ended May 31, 2002. The increase in expenses is primarily related to salaries, professional fees and consulting fees associated with the continuing development of the company.

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Research, Development and Related Engineering Expenses. Research, development and related engineering expenses for the six months ended May 31, 2003 were \$65,390 as compared to \$45,739 for the six months ended May 31, 2002. As a percentage of revenues, research, development and related engineering expenses were 2.0% and 1.5% for the six months ended May 31, 2003 and 2002, respectively.

Interest Expense. Interest expense for the six months ended May 31, 2003 was \$227,693 as compared to \$138,387 for the same period in 2002. Interest expense is mainly comprised of payments made to the other parties to the Company's revenue sharing agreements (RSAs) based on the Company's storage revenues. The other parties have contracted with the Company for a percentage of future storage revenues the Company generates from clients in specific geographic areas.

Other Income. Other income is comprised of revenue recognized on the sale of license agreements, royalty income earned on the subsequent processing and storage of specimens in geographical areas where the Company has license agreements, and from the sale of sub-license agreements by licensees. Other income for the six months ended May 31, 2003 and 2002 was \$77,812 and \$666,221, respectively. All income had been recognized on the sale of license agreements as of the end of fiscal 2002. The remaining income to be recognized on current license agreement will be the royalty income earned and from the sale of sub-license agreements.

Equity in Earnings of Affiliates. Equity in earnings of affiliates was \$27,788 in the six months ended May 31, 2003, compared to a loss of \$269,989 in the 2002 period. After the distribution of the shares of SCPT, the Company will continue to hold more than 20% of the outstanding common stock of SCPT. Under the equity method of accounting, if appropriate, a portion of the anticipated operating losses of SCPT will be reflected on the Company's statements of operations as equity in earnings of affiliates.

#### Results of Operations - Three month period ending May 31, 2003

Revenues. Revenues for the three months ended May 31, 2003 were \$1,632,436 as compared to \$1,646,629 for the same period in 2002, representing a 0.9% decrease. The slight decrease was driven primarily by relatively flat sales. The number of new specimens processed during the second quarter ended May 31, 2003 decreased 21% compared to the same period in 2002. It is management's opinion that certain incorrect rumors relative to the Company and its operations affected revenues for the six months ended May 31, 2003. The Company has and will continue to proactively correct the misstated items within the marketplace. On May 5, 2003 the Company implemented a price increase of \$140 affecting its enrollment, processing and testing fees. The impact of this increase was de minimus for the current reporting period, but is anticipated to have a positive impact on revenue and gross profit during the fiscal third and fourth quarters.

Cost of Sales. Cost of sales for the three months ended May 31, 2003 was \$674,242 as compared to \$554,067 for the same period in 2002, representing a 22% increase. Cost of sales were 41% of revenues for the three months ended May 31, 2003 compared with 34% for the three months ended May 31, 2002. The increase in cost of sales is attributable to an increase in wages and supplies associated with new enhancements to the existing production procedures and quality systems in the processing of cord blood specimens at the Company's laboratory in Clearwater, Florida and the costs associated with storage of specimens at the Safti-Cell facility in Arizona which commenced in October 2002.

Marketing, General and Administrative Expenses. Marketing, general and

administrative expenses during the three months ended May 31, 2003 were \$1,867,123 as compared to \$1,595,492 in 2002 representing a 16% increase. Marketing, general and administrative expenses were 114% of revenues for the three months ended May 31, 2003 compared to 97% for the three months ended May 31, 2002. The increase is primarily the result of an increase in legal fees of \$349,000 and increased expenses of SCPT of approximately \$89,000

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relating to start-up operational expenses, offset by a reduction in salaries and wages of \$222,000 mainly due to the one-time retirement bonus paid to the former Chairman during the three months ended May 31, 2002. The net effect of these items accounted for approximately \$216,000, or 83%, of the total increase. The increase in legal fees is attributable to several reasons, principally several legal actions. The Company cannot provide assurance that legal fees will be reduced in the foreseeable future. SCPT's marketing, general and administrative expenses during the three months ended May 31, 2003 were \$188,686 compared with \$99,490 for the three months ended May 31, 2002. The increase in expenses is primarily related to salaries, professional fees and consulting fees associated with the continuing development of the company

Research, Development and Related Engineering Expenses. Research, development and related engineering expenses for the three months ended May 31, 2003 were \$33,672 as compared to \$20,651 for the three months ended May 31, 2002. As a percentage of revenues, research, development and related engineering expenses were 2.1% and 1.3% for the three months ended May 31, 2003 and 2002, respectively.

Interest Expense. Interest expense for the three months ended May 31, 2003 was \$151,590 as compared to \$80,740 for the same period in 2002. Interest expense is mainly comprised of payments made to the other parties to the Company's revenue sharing agreements (RSAs) based on the Company's storage revenues. The other parties have contracted with the Company for a percentage of future storage revenues the Company generates from clients in specific geographic areas.

Other Income. Other income is comprised of revenue recognized on the sale of license agreements, royalty income earned on the subsequent processing and storage of specimens in geographical areas where the Company has license agreements, and from the sale of sub-license agreements by licensees. Other income for the three months ended May 31, 2003 and 2002 was \$45,006 and \$266,221, respectively. All income had been recognized on the sale of license agreements as of the end of fiscal 2002. The remaining income to be recognized on current license agreement will be the royalty income earned and from the sale of sub-license agreements.

Equity in Earnings of Affiliates. Equity in earnings of affiliates was \$4,032 in the three months ended May 31, 2003, compared to a loss of \$45,170 in the 2002 period. After the distribution of the shares of SCPT, the Company will continue to hold more than 20% of the outstanding common stock of SCPT. Under the equity method of accounting, a portion of the anticipated operating losses of SCPT will be reflected on the Company's statements of operations as equity in earnings of affiliates.

#### Liquidity and Capital Resources

At May 31, 2003, the Company had cash and cash equivalents of \$692,266 as compared to \$1,935,532 at November 30, 2002 a decrease of \$1,243,266. This compares with a \$303,778 increase in cash and cash equivalents in the six months ended May 31, 2002. The decrease in cash and cash equivalents during the six months ended May 31, 2003 was primarily attributable to the increased marketing, general and administrative expenses that were incurred during the quarter.

During the second quarter 2003, the Company sold approximately \$3,100,000 in marketable securities that were accounted for under SFAS 115, Accounting for Certain Debt and Equity Instruments (SFAS 115). In accordance with SFAS 115, the Company recorded a realized loss of approximately \$25,000. The proceeds from the sale were reinvested in certain marketable securities and cash equivalents, which are reflected on the May 31, 2003 balance sheet at approximately \$3,000,000 and \$95,000, respectively. Included within marketable securities are certificates of deposit that are not accounted for under SFAS 115 and a bond investment of approximately \$2,000,000 that has been classified as held to maturity in accordance with SFAS 115.

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Through May 31, 2003, the Company's sources of cash have been from sales of its U-Cord™ program to customers, the sales of revenue sharing agreements and the sale of license agreements. The Company does not have a line of credit or other type of financing agreement.

The Company anticipates that its cash on-hand, cash equivalents, marketable securities and cash flows from operations will be sufficient to fund its operations for the foreseeable future. Cash flows from operations will depend

primarily upon increasing revenues from sales of its umbilical cord blood cellular storage services.

Since inception SCPT's costs and expenses have been funded by capital contributions, advances for the purchase of revenue sharing agreements sold by SCPT, the sale of a promissory note for \$500,000, which was converted into SCPT's capital stock, and the sale of common stock. To date, cash has been expended primarily for development stage expenses. The Company anticipates the spin-off of SCPT as a separate public company to occur as soon as possible. In connection with the spin-off, all shareholders of record of the Company on August 31, 2001 are expected to receive three shares of SCPT for every four shares of CRYO-CELL stock that they owned. The payment date of the shares to be distributed will follow the effective date of SCPT's registration statement covering the shares to be distributed. SCPT continues its efforts to complete the registration process and be declared effective by the Securities and Exchange Commission (SEC). It is SCPT's intent to re-file the pre-effective amendment for SCPT as soon as SCPT's financials are updated following CRYO-CELL's filing of the first and second quarters of 2003.

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### Item 3. Controls and Procedures

Based on their most recent review, which was completed within 90 days of the filing of this report, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure and are effective to ensure that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. There were no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date of their evaluation.

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### Forward Looking Statements

This Form 10 QSB, press releases and certain information provided periodically in writing or orally by the Company's officers or its agents may contain statements which constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934. The terms "CRYO-CELL International, Inc.," "CRYO-CELL" "Company," "we," "our" and "us" refer to CRYO-CELL International, Inc. The words "expect," "believe," "goal," "plan," "intend," "estimate" and similar expressions and variations thereof, if used, are intended to specifically identify forward looking statements. Those statements appear in a number of places in this Form 10 QSB and in other places, particularly, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things:

- (i) our legal proceedings;
- (ii) our anticipated future cash flows;
- (iii) our liquidity and capital resources;
- (iv) our licensing and revenue sharing arrangements and future operating plans;
- (v) our future performance and operating results;
- (vi) our international affiliations, investments and interests;
- (vii) our previously announced dividend of shares of Stem Cell Preservation Technologies, Inc.

Investors and prospective investors are cautioned that any such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward looking statements as a result of various factors. The factors that might cause such differences include, among others, the following:

- (i) any material inability to successfully optimize the opportunities available to us from our licensing agreements or to enforce our licensing agreements;
- (ii) any material reductions in our liquidity and working capital;

- (iii) any adverse effect or limitations caused by any governmental regulations, proceedings or actions, foreign and domestic;
- (iv) any continued or increased losses, or any inability to obtain acceptable financing, where desirable in the future, in connection with our operating or growth plans;
- (v) any increased competition in our business;
- (vi) any decrease or slow down in the number of people seeking to store umbilical cord blood stem cells or decrease in the number of people paying annual storage fees;
- (vii) the effect of any future reduced cash position and future inability to access borrowings;

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- (viii) any adverse impacts on our revenue or operating margins due to the costs associated with increased growth in our business;
- (ix) any adverse developments impacting our continued relationship with and success of our licensees, foreign affiliates or investments in, or relationships with, foreign companies;
- (x) any inability to achieve increases in revenue or earnings from umbilical cord blood stem cell storage;
- (xi) any future inability to substantially achieve the objectives expected from the successful implementation of our strategy;
- (xii) the combined decline of public market interest in the Company's business sector and the Company's stock;
- (xiii) any added requirements imposed on us by new laws, SEC regulations or NASDAQ listing requirements and costs thereof;
- (xiv) any future loss of the Company's listing under NASDAQ;
- (xv) any technological breakthrough or medical breakthrough that would render the Company's business of stem cell preservation obsolete;
- (xvi) general economic and market conditions and combined general downturn in the economy;
- (xvii) any material failure or malfunction in our storage facilities;
- (xviii) continued losses, future negative cash flows and inability to obtain anticipated future positive cash flows;
- (xix) any natural disaster such as a tornado, other disaster (fire) or act of terrorism that adversely affects stored specimens;
- (xx) the potential impact of negative market influences on the Company's portfolio of cash, cash equivalents and marketable securities;
- (xxi) any inability to successfully prosecute, or defend against, claims and litigation matters or enforce agreements with domestic or foreign entities;
- (xxii) the costs associated with defending or prosecuting litigation matters and any material adverse result from such matters; and
- (xxiii) any material inability to successfully consummate, the previously announced dividend of the shares of Stem Cell Preservation Technologies, Inc.;
- (xxiv) the costs associated with the consummation of the dividend of the Stem Cell Preservation Technologies, Inc. common stock;
- (xxv) the inability of the Stem Cell Preservation Technologies, Inc. to generate the storage of any specimens in the geographic regions covered by the revenue sharing agreements;

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- (xxvi) decreases in asset valuations;
- (xxvii) any negative effect from a recent adverse newspaper article regarding the Company's business operations;
- (xxviii) inability to obtain an effective registration statement regarding



shares in SCPT;

- (xxix) any new technology rendering the Company's patented equipment or business obsolete;
- (xxx) any performance failures related to the Company's equipment or operations;
- (xxxii) any negative consequences resulting from deriving, shipping and storing specimens at a second location;
- (xxxiii) any negative consequences related to changes in the Board of Directors or less involvement in the future by the Company's founder Dan Richard.

We undertake no obligation to publicly update or revise the forward-looking statements made in this Form 10 QSB to reflect events or circumstances after the date of this Form 10 QSB or to reflect the occurrence of unanticipated events.

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 Annual Report on Form 10-KSB filed by the Company and any Current Reports on Form 8-K filed by the Company.

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## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Incorporated by reference to Part I. Financial Statements-Notes to Condensed Consolidated Financial Statements - Note 3.

### ITEM 2. CHANGES IN SECURITIES

None.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

### ITEM 5. OTHER INFORMATION

On June 24, 2003, the Company announced that its common stock will continue to be listed on The Nasdaq SmallCap Market via an exception from the requirement that it file its periodic reports with the Securities and Exchange Commission on a timely basis. While the Company failed to meet this requirement as of April 14, 2003, the Company was granted a temporary exception from this standard subject to the Company meeting certain conditions for accomplishing the filing of its periodic reports with the Securities and Exchange Commission. The Company filed an amended Form 10-KSB on June 27, 2003, as required under the terms of the Nasdaq exception. On or before July 15, 2003, the Company must also file its Form 10-QSB for the three months ended May 31, 2003, evidencing compliance with all requirements for continued listing on The Nasdaq SmallCap Market. Further, on or before October 15, 2003, the Company must file the Form 10-QSB for the quarter ending August 31, 2003, evidencing compliance with all requirements for continued listing on The Nasdaq SmallCap Market. In the event the Company is deemed to have met the terms of the exception, it shall continue to be listed on The Nasdaq SmallCap Market. The Company will file this Form 10-QSB for the second quarter of fiscal 2003 on a timely basis. However, the Company's reported stockholders' equity as of May 31, 2003 is \$1,449,747, which is lower than the \$2,500,000 minimum stockholders' equity requirement for inclusion on The Nasdaq SmallCap Market. This shortfall will result from the restatement of the Company's financial statements reflected in the amended Form 10-KSB and from continued losses through May 31, 2003. The Company has requested that the Nasdaq Listing Qualifications Panel grant an extension for compliance with the minimum stockholders' equity requirement, based on the Company's confidence that it can return to compliance with this requirement. However, there can be no assurance that the Panel will grant an extension, or that the Company will be able to comply with the other terms of the exception and maintain its listing. If at some future date the Company's securities should cease to be listed on The Nasdaq SmallCap Market, they may continue to be listed on the OTC Bulletin Board or the Company may file for listing on an alternative exchange. For the duration of the exception, the Company's Nasdaq symbol will be "CCEC".

## ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

## (a) Exhibits

- 3.1 Independent Contractor Agreement dated April 15, 2003 between the Company and Houghton-Wagman Enterprises, Inc.
- 99.1 \*Certification of the Chief Executive Officer of CRYO-CELL International, Inc. pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 \*Certification of the Vice President, Finance of CRYO-CELL International, Inc. pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\* - Filed Herewith

## (b) Reports on Form 8-K.

During the quarterly period ended May 31, 2003 the Company filed a current report on Form 8-K dated April 18, 2003 where it disclosed under Item 5 the appointment of the Company's Chairman Mercedes Walton as Interim Chief Executive Officer and Beth Houghton as the Company's Interim President and Chief Operating Officer. The Company also disclosed the resignation of John Hargiss as President and Chief Executive Officer. On March 14, 2003 where it disclosed under Item 4 the dismissal of the Company's independent auditors Weinick Sanders Leventhal & Co., LLP and on the same date engaged Ernst & Young LLP to serve as the Company's independent auditors. On March 17, 2003 the Company filed a current report on Form 8-K/A where it disclosed under Item 7 a copy of the letter addressed to the Securities and Exchange Commission from the Company's former independent auditors Weinick Sanders Leventhal & Co., LLP. On May 20, 2003 the Company filed a current report on Form 8-K where it disclosed under Item 4 the resignation of the Company's independent auditors, Ernst & Young LLP. On June 30, 2003 the Company filed a current report on Form 8-K where it disclosed under Item 4 the engagement of the Company's independent auditors, Grant Thornton LLP.

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## SIGNATURES

Pursuant to the requirements 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.

/s/ MERCEDES WALTON  
-----

Mercedes Walton  
Interim Chief Executive Officer

CRYO-CELL International, Inc.

/s/ JILL M. TAYMANS  
-----

Jill M. Taymans  
Vice President, Finance

Date: July 15, 2003

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CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER  
AND PRINCIPAL FINANCIAL OFFICER REQUIRED  
PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002

I, Mercedes Walton, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CRYO-CELL International, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: July 15, 2003

By: /s/ Mercedes Walton  
-----  
Mercedes Walton  
Interim Chief Executive Officer

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I, Jill Taymans, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CRYO-CELL International, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure

controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: July 15, 2003

By: /s/ Jill Taymans

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Jill Taymans, Vice President, Finance

## INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (the "Agreement") is made and entered into as of this 15th day of April, 2003, ("Effective Date"), by and between CRYO CELL INTERNATIONAL, INC., a Delaware corporation having a principal place of business at 3165 McMullen Booth Road, Bldg. B, Clearwater, Florida 33761 (the "Company") and HOUGHTON-WAGMAN ENTERPRISES, INC., a Florida corporation having a principal place of business at 3637 Fourth Street North, Suite 395, St. Petersburg, Florida, 33704, (the "Contractor").

## W I T N E S S E T H

WHEREAS, the Company is in the business of preservation, processing and storage of blood based stem cells (the "Business"); and

WHEREAS, the Company desires to retain the Contractor to provide certain services relating to the Business, and the Contractor desires to be so retained and to perform those services for the Company.

NOW, THEREFORE, the Contractor and the Company agree as follows:

1. Character and Extent of Services. During the Term of this Agreement, pursuant to and subject to terms and conditions of this Agreement, the Contractor shall provide the services of its employee, Beth A. Houghton, ("Houghton"), to the Company as the Company's interim President and Chief Operating Officer and the operational, investment and financial advisory services, on a non-exclusive basis, described as follows (collectively "Contractor's Services"):

(A) Assist in the analysis and evaluation, from an operational and financial point of view, the Company and its business and prospects, including any business or operating plan and the appropriateness of the capital structure of the Company as it presently exists and as it may be modified by any proposed financing and plans;

(B) Assist in the determination of an appropriate plan to raise equity and/or debt financing for the Company, and at the request of the Company, render financial and operational advice in connection with the design and implementation of a process to solicit, coordinate and evaluate proposals for any other potential or actual transaction;

(C) Review the following information of the Company:

(i) Operating statements, balance sheets, and projections;

(ii) Material corporate documents, contracts, and other legal documents;

(iii) Internal policies and procedures;

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(iv) Any other Company and/or industry information that Contractor determines to be relevant to its analysis;

(D) Assist in the preparation and dissemination of confidential information materials for potential investors, and, with Company's consent, strategic partners in any other potential or actual transaction; and

(F) Provide additional advisory and administrative services as Contractor deems reasonably necessary.

Subject to the directions of the Board of Directors of the Company ("Board") and the Company Chief Executive Officer ("CEO"), Houghton, as interim President and Chief Operating Officer shall be responsible on an interim basis for general administration, oversight, care, and management of the property and business of the Company and all of its departments, and shall have authority over its other officers and employees, subject only to the provisions of the bylaws of the Company ("Bylaws") and other corporate documents, controls exercised by the Board and CEO, and provisions of law, including any limitations upon the Contractor's authority or conduct for the Company. The parties acknowledge and agree that the services to be provided by Houghton under this Agreement are personal and may not be delegated by the Contractor. The parties also acknowledge and agree that, as President, Houghton shall have power during the Term to sign, execute, and deliver on behalf of the Company any papers necessary to be signed, executed, and delivered by the President of the Company in carrying on the business of the Company, except in cases where the signing and execution thereof shall be expressly delegated by the Board or CEO or by the Bylaws or some other corporate document to some other officer or agent of the Company, or shall be required by law to be otherwise signed or executed,

including any limitations upon the Contractor's authority or conduct for the Company.

2. Term. The term of this Agreement ("Term") shall be for an initial period of three (3) months commencing April 15, 2003, ("Commencement Date"), until July 14, 2003, and thereafter shall continue automatically without further notice or action on a month-to-month basis until terminated on the date ("Termination Date"), specified by either party on thirty (30) days prior written notice; provided always, however, that this Agreement may be terminated immediately:

(A) By either party, if there has been a single material breach of the terms of this Agreement (other than an illegal act for which no cure period shall apply) by the other party hereto which the defaulting party has failed to cure within 10 days; or

(B) by either party if there has been a second material breach of the terms of this Agreement by the other party; or

(C) by the Company if the Contractor (i) consistently fails to perform its duties hereunder in a competent manner, or (ii) engages in illegal or unethical conduct which reflects adversely upon Contractor's honesty and integrity in the performance of its duties

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as a representative or executive of the Company, or which is clearly detrimental to the interests of the Company; or

(D) by the Company if the Contractor provides "Just Cause," which, for the purposes of this clause, shall mean any of the following: (1) commission of acts by Contractor or its employees, agents or representatives constituting criminal behavior; (2) habitual neglect of the Contractor's duties; (3) Houghton's death or disability; or (4) dishonesty, defalcation or insubordination of Contractor or any of its employees, agents or representatives in regard to the Company's business.

3. Independent Contractor. It is understood and agreed that the Contractor is an independent contractor in the performance of this Agreement, that the Contractor shall perform the contracting activity under the control of the Company as to the result of such activity only and not as to the means by which such result is accomplished and that the Contractor's employee, Houghton, is providing services for the Company during the Term on a full time basis. Further, the Contractor shall not be entitled to participate in any plans, arrangements or distributions by the Company pertaining to any bonus, profit sharing, insurance or similar benefits for Company employees, including, but not limited to, vacation pay, sick leave, holiday pay, retirement benefits, social security benefits, disability or unemployment insurance benefits, health or accident insurance, etc. The Contractor is neither an agent nor employee of the Company, and, except for the limited authority granted Houghton during the Term, as expressly provided herein, neither the Contractor nor its representatives has any authority whatsoever to bind the Company by contract or agreement of any kind. The Company shall not withhold federal or state income taxes from the Contractor's fees payable hereunder and shall not pay FICA, state unemployment or other employment taxes or disability payments with respect to the Contractor or Houghton, such items and such payments being the sole responsibility of the Contractor.

4. Compensation. For and in consideration of Contractor's Services to be rendered by Contractor to the Company during the Term, the Company shall pay Contractor \$30,000 per month, or such greater amount as the Board may authorize from time to time, payable in \$15,000 payments on the fifteenth and last day of the month in arrears for each month for which such services are rendered hereunder; provided always, however, if the Commencement Date is not on the first day of the month, or the Termination Date is not the last day of the month, a prorated installment of monthly installment of compensation as herein provided shall be paid to Contractor at the then current compensation rate for the fractional month during which the Commencement Date and/or Termination Date occurs.

5. Expenses. Contractor shall be solely responsible for all expenses incurred by the Contractor during the Term of this Agreement and shall not be entitled to reimbursement from the Company unless otherwise agreed to in advance by the Company.

6. Confidentiality. The Contractor acknowledges that, in the course of providing services hereunder, the Contractor will learn certain confidential information about the Company's business. The Contractor agrees to keep all such information strictly confidential and not use it for Contractor's own benefit nor disclose or divulge such information to any person outside of the Company. The parties acknowledge that the provisions of this Section 6 shall not apply to any

information which: (i) had been rightfully in the possession of the recipient prior to its disclosure to the recipient; (ii) had been in the public domain prior to its disclosure to the recipient; (iii) has become part of the public domain by publication or by any other means except an unauthorized act or omission on the part of the recipient; (iv) had been supplied to the recipient without restriction by a third party who is under no obligation to maintain such information in confidence; (v) is required to be disclosed by any federal or state law, rule or regulation or by any applicable judgment, order or decree or any court or governmental body or agency having jurisdiction in the premises; or (vi) during the Term is required in the ordinary course of business to promote, market and sell the Company's Business.

7. Covenant Not to Compete. The Contractor hereby agrees that Contractor will not, either during the Term or until the first anniversary of the Termination Date, engage in any business activities on behalf of any enterprise that competes with the Company in the Business. The Contractor will be deemed to be engaged in such competitive business activities if Contractor participates in such a business enterprise as an employee, officer, director, contractor, agent, partner, proprietor, or other participant; provided that the ownership of no more than 2 percent of the stock of a publicly traded corporation engaged in a competitive business shall not be deemed to be engaging in competitive business activities; further, no provision of this Agreement shall preclude the Contractor from making passive investments in any company or from becoming involved in the parent, affiliate or subsidiary company of any company involved in the Company's Business as long as the Contractor has no involvement in such competing entity.

The Contractor further agrees that the Contractor shall not for Contractor or for any other person, firm, corporation, partnership or other entity, for a period of one (1) year from the Termination Date, directly or indirectly:

- (i) solicit any sales agent, employee, former employee who was employed by the Company in the preceding 90 days or full-time employee of the Company for the purposes of hiring or retaining such sales agent, employee or contractor,
- (ii) contact any present or prospective client of the Business of the Company ("Company Clients") to solicit such Company Clients to enter into a contract or arrangement with any competitor of the Company, or
- (iii) make known names and/or addresses of the Company Clients or any information relating in any manner to the Company's trade or business relationships with such Company Clients; provided always, however, that the provisions of this Section shall not apply to any information which: (i) had been rightfully in the possession of the recipient prior to its disclosure to the recipient; (ii) had been in the public domain prior to its disclosure to the recipient; (iii) has become part of the public domain by publication or by any other means except an unauthorized act or omission on the part of the recipient; (iv) had been supplied to the recipient without restriction by a third party who is under no obligation to maintain such information in confidence; or (v) is required to be disclosed by any federal or state law, rule or regulation or by any applicable judgment, order or decree or any court or governmental body or agency having jurisdiction in the premises.

8. Ownership of Developments. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, or works of authorship developed or created by Contractor during the course of performing work for the Company or its clients (collectively, the "Work Product") shall belong exclusively to the Company and shall, to the extent possible, be considered a work made by the Contractor for hire for the Company within the meaning of Title 17 of the United States Code. To the extent the Work Product may not be considered work made by the Contractor for hire for the Company, the Contractor agrees to assign and automatically assigns at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest the Contractor may have in such Work Product. Upon the request of the Company, at the Company's expense, the Contractor shall take such further actions, including execution and delivery of instruments of conveyance, as may be reasonably appropriate to give full and proper effect to such assignment; provided always, however, if the Contractor's assistance is required after the Termination Date, as herein provided, then the Company shall compensate the Contractor at a reasonable rate, which shall be determined by multiplying a determined number of hours reasonably expended by the Contractor in performance of such duties by the reasonable hourly rate of Two Hundred Fifty (\$250) Dollars per hour.

Solely for purposes of Sections 6, 7, 8, 9, 10 and 11 hereof only, the term "Company" also shall include any existing or future subsidiaries of the Company that are operating during the time periods described herein and any other entities that directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with the Company during the periods described herein.

9. Remedies. The Contractor acknowledges and agrees that the Company's remedy at law for a breach or threatened breach of any of the above provisions of Section 6, 7 and 8 would be inadequate and the breach shall per se be deemed as causing irreparable harm to the Company. In recognition of this fact, in the event of a breach by the Contractor of any of the provisions of Section 6, 7 and 8 of this Agreement, the Contractor agrees that, in addition to any remedy at law available to the Company, the Company shall be entitled to obtain injunctive relief, or any other appropriate equitable remedy, without having to post a bond or other security. It is expressly understood and agreed by the Contractor that although the parties consider the restrictions contained in this Agreement to be reasonable, if a court determines that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction on the activities of the Contractor, such provision in this Agreement shall not be rendered void but shall be deemed to be amended to apply as to such maximum time and territory and to such extent as such court may judicially determine or indicate to be reasonable.

10. Indemnification; Exculpation; Insurance. Recognizing that Contractor, in performing Contractor Services contemplated hereby, will be acting as a limited representative of and relying on information provided by the Company, the Company agrees to the provisions of Schedule 1 hereto, and it is specifically understood and agreed that the indemnification provisions of Schedule 1 shall be binding on the successors and assigns of the parties hereto and of the Indemnified Parties, subject always to any applicable statutes of limitations and the limitations of Schedule 1 hereof. The Company also acknowledges and agrees that, as of the Effective Date and during the Term, the Company shall continue to carry in force for the benefit of Contractor and Houghton the

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liability and errors and omissions insurance it currently carries and shall provide to Contractor with a Certificate of Insurance or other reasonable documentation from time to time evidencing such coverage.

11. Expert Witness Fee. In addition to the provisions of Section 11 hereof, if the Contractor or any of Contractor's representatives, employees, consultants or other professional personnel, including Houghton, appears as a witness or participate, is deposed or is otherwise involved at any time in any action or proceeding involving the Company, including litigation or arbitration against the Company or participation in SEC or other regulatory matters or proceedings involving the Company, then the Company or any of their respective affiliates, the Company will pay Contractor a fee of \$250 per hour for each such person being so involved, and the Company will also reimburse Contractor for all reasonable expenses incurred by Contractor by reason of its or any of its representatives, employees, consultants or other professional personnel being involved therein. The provisions of this Section 11 shall survive the Termination Date and continue to apply after completion of the Term.

12. Representations of Contractor. Contractor has represented and hereby represents and warrants to the Company that Contractor is not subject to any restriction or non-competition covenant in favor of any other person or entity, and that the execution of this Agreement by Contractor and engagement by the Company and the performance of duties hereunder will not violate or be a breach of any agreement with a former employer or any other person or entity. Further, Contractor agrees to indemnify the Company for any claim, including, but not limited to, attorneys' fees and expenses of investigation, by any such third party that such third party may now have or may hereafter come to have against Contractor based upon or arising out of any restriction or non-competition agreement or invention and secrecy agreement between Contractor and such third party.

13. Consent To Personal Jurisdiction and Venue; Waiver of Jury Trial. Subject always to the provisions of Section 14 hereof, each of the parties hereby consents to personal jurisdiction and venue, for any action arising out of a breach or threatened breach of this Agreement, exclusively in the United States District Court for the Middle District of Florida, Tampa Division, or in the Circuit Court in and for Pinellas County, Florida; each of the parties hereby agrees that any action brought by such party, alone or in combination with others, against the other party, whether arising out of this Agreement or otherwise, shall be brought exclusively in the United States District Court for the Middle District of Florida, Tampa Division, or in the Circuit Court in and for Pinellas County, Florida. Each party hereby agrees that any controversy which may arise under this Agreement would involve complicated and difficult factual and legal issues. Therefore, if a court of law determines for any reason that the arbitration clause of Paragraph 14 of this Agreement is unenforceable,



then any action brought by a party against the other party, whether arising out of this Agreement or otherwise, shall be determined by a judge sitting without a jury.

14. Arbitration. The parties hereto agree to submit all controversies, claims, disputes, and matters in question arising out of, or related to, this Agreement or the breach of this Agreement, or the relations between the signatories to this Agreement to mediation. In the event either party disagrees with the finding of the mediator, the particular matter shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The signatories agree that the arbitration shall take place exclusively in Clearwater, Florida, and shall be governed by the law of the state of Florida. Any award rendered by the

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arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof, including a federal district court, pursuant to the Federal Arbitration Act. The arbitrator may grant the Company injunctive relief, including mandatory injunctive relief, to protect the rights of the Company, but shall not be limited to such relief. This provision shall not preclude the Company from seeking temporary or preliminary injunctive relief in a court of law to protect its rights, nor shall the filing of such an action constitute any waiver by the Company of its right to mediate or arbitrate. In connection with the mediation or arbitration of any dispute between the signatories to this Agreement, each signatory may utilize all methods of discovery authorized by the Federal and Florida Rules of Civil Procedure.

15. Survival. Upon the Termination Date, Contractor's obligation to perform Contractor Services pursuant to Section 1 hereof, and the Company's obligation to pay Contractor compensation pursuant to Section 4 hereof, shall terminate; provided always, that the Contractor shall be entitled to receive any compensation or other payment expressly provided for herein which has accrued for the period through the Termination Date; and, accordingly the following provisions shall remain in full force and effect in case of termination of this Agreement by either party: (i) the compensation provisions of Section 4; (ii) the confidentiality provisions of Section 6; (iii) the confidentiality provisions of Section 7; (iv) the ownership provisions of Section 8; (v) the remedies provisions of Section 9; (vi) the indemnification provisions of Section 10; (vii) the expert witness fee provisions of Section 11; (viii) the Contractor's representation provisions of Section 12; (ix) the jurisdiction and venue provisions of Section 13; (x) the arbitration provisions of Section 14; and (xi) the other terms and provisions hereof which by reasonable implication should survive termination (including without limitation any rights of the Contractor or the Company hereby expressly vested in such party as of the Termination Date).

16. Governing Law. This Agreement shall be governed in all respects by the laws of the State of Florida.

17. Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument. A facsimile signature shall be considered the same as an original.

18. Entire Agreement; Modification. This Agreement contains the whole agreement between the parties hereto with respect to the Contractor's engagement with the Company. No agreement or understanding which modifies this Agreement shall be binding upon the Company or the Contractor unless in writing and duly signed by the Company and the Contractor.

19. Severability. In the event it is determined by a court of competent jurisdiction that any provision herein contained is illegal or unenforceable, such determination shall solely affect such provision and shall not impair the remaining provisions of this Agreement.

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IN WITNESS WHEREOF, the parties hereto or their duly authorized representatives have signed, sealed and delivered this Agreement effective as of the day and year first above written.

CRYO-CELL INTERNATIONAL, INC.

By: /s/ Mercedes Walton

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Mercedes Walton, Interim CEO

HOUGHTON-WAGMAN ENTERPRISES, INC.:

By: /s/ Beth A. Houghton

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Beth A. Houghton, as Vice-President

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Schedule 1  
To  
Independent Contractor Agreement

This Schedule 1 is a part of and is incorporated into that certain Independent Contractor Agreement (together the "Agreement") dated April 15, 2003, by and between CRYO CELL INTERNATIONAL, INC., a Delaware corporation, (the "Company") and HOUGHTON-WAGMAN ENTERPRISES, INC., (the "Contractor"). This Agreement will confirm that the Company agrees to indemnify and hold harmless Contractor and its affiliates, each of their respective directors, officers, attorneys and other agents, stockholders, members and employees of Contractor, including without limitation Beth A. Houghton ("Houghton") and its affiliates and each other person, if any, controlling Contractor or any of its affiliates (Contractor, Houghton and each such other entity or person being referred to as an "Indemnified Person"), to the full extent lawful, from and against any losses, claims, damages, expenses or liabilities or actions (including, without limitation, shareholder actions and actions arising from the use of information contained in any confidential information or materials or omissions from such materials) related to or arising out of this engagement or Contractor's role in connection with the Company herewith, and will pay (or, if paid by an Indemnified Person, reimburse such Indemnified Person) for all fees and expenses (including, without limitation, counsel fees and charges for the time of Contractor at the rate of \$250 hourly and Contractor's professional employees at their then current hourly rates) incurred by such Indemnified Person in connection with investigating, preparing for or defending any such action or claim, whether or not in connection with pending or threatened litigation in which any Indemnified Person is a party; further, all covenants, representations and warranties of the Company contained in this Agreement or otherwise provided in accordance herewith shall survive for purposes of indemnification pursuant to the Agreement and the provisions of this Schedule 1, subject always to any applicable statutes of limitations and the limitations of Schedule 1 hereof.

The Company will not, however, be responsible for any claims, losses, damages, liabilities or expenses which result from any compromise or settlement not approved by the Company or which are determined by a final judgment of a court of competent jurisdiction to have resulted primarily from the fraud, willful misconduct or gross negligence of any Indemnified Person, and no party shall be entitled to actual collection of indemnification payments from the Company pursuant hereto until such party actually incurs the loss, cost or expense resulting from the Indemnifiable Claim for which indemnification is sought. The Company also agrees that no Indemnified Person shall have any liability to the Company for or in connection with this engagement, except for any such liability for losses, claims, damages, liabilities or expenses incurred by the Company, which are determined by a final judgment of a court of competent jurisdiction to have resulted solely from the fraud, willful misconduct or gross negligence of the Indemnified Person. The foregoing agreement shall be in addition to any rights that any Indemnified Person may have at common law or otherwise, including, without limitation, any right to contribution.

If any action or proceeding is brought against any Indemnified Person in respect of which indemnity may be sought against the Company pursuant hereto, or if any Indemnified Person receives notice from any potential litigant or a claim which such person reasonably believes will

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result in the commencement of any such action or proceeding, such Indemnified Person shall promptly notify the Company in writing of the commencement of such action or proceeding, or of the existence of any such claim, but the failure to so notify the Company of any such action or proceeding shall not relieve the Company from any other obligation or liability which it may have to any Indemnified Person otherwise than under this Agreement or with respect to any other action or proceeding. In case any such action or proceeding shall be brought against any Indemnified Person, the Company shall be entitled to participate in such action or proceeding with counsel of the Company's choice, or compromise or settle such action or proceeding with counsel of the Company's choice or settle such action or proceeding, at its expense (in which case the Company shall not thereafter be responsible for the fees and expenses of any separate counsel retained by such Indemnified Person); provided, however, that such counsel shall be satisfactory to the Indemnified Person in the exercise of its reasonable judgment. Notwithstanding the Company's election to assume the defense of such action or proceeding, such Indemnified Person shall have the right to employ separate counsel and to participate in the defense of such action or proceeding, and the Company shall bear the reasonable fees, costs and expenses of such separate counsel (and shall pay such fees, costs and expenses at least quarterly), if (a) the use of counsel chosen by the Company to represent such Indemnified Person would, in the judgment of the Indemnified

Person, present such counsel with a conflict of interest; (b) the defendants in, or targets of, any such action or proceeding include both an Indemnified Person and the Company, and such Indemnified Person shall have reasonably concluded that there may be legal defenses available to it or to other Indemnified Persons which are different from or additional to those available to the Company (in which case the Company shall have the right to direct the defense of such action or proceeding on behalf of the Indemnified Person); (c) the Company shall not have employed counsel satisfactory to such Indemnified Person in the exercise of the Indemnified Person's reasonable judgment to represent such Indemnified Person within a reasonable time after notice of the institution of such action or proceeding; or (d) the Company shall authorize such Indemnified Person to employ separate counsel at the Company's expense.

These indemnification provisions shall (i) remain operative and in full force and effect regardless of any termination or completion of the engagement of the Contractor; (ii) inure to the benefit of any successors, assigns, heirs or personal representative of any Indemnified Person; and (iii) be in addition to any other rights that any Indemnified Person may have.

CRYO-CELL INTERNATIONAL, INC.

By: /s/ Mercedes Walton  
-----  
Mercedes Walton, Interim CEO

HOUGHTON-WAGMANENTERPRISES, INC.:

By: /s/ Beth A. Houghton  
-----  
Beth A. Houghton, as Vice President

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CRYO-CELL International, Inc. (the "Company") on Form 10-QSB for the period ending May 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mercedes Walton, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. (s) 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mercedes Walton  
- -----  
Mercedes Walton  
Interim Chief Executive Officer  
July 15, 2003

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cryo-Cell International, Inc. (the "Company") on Form 10-QSB for the period ending May 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jill Taymans, Vice President, Finance of the Company, certify, pursuant to 18 U.S.C. (s) 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jill Taymans

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Jill Taymans  
Vice President, Finance  
July 15, 2003