

U. S. 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 August 31, 1999

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) 723-0333

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

Check whether the issuer (1) has filed all reports required to be filed by section 13 or 15 (d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

State the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date. As of August 31, 1999, 8,815,955 shares of \$0.01 par value common stock were outstanding.

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

ASSETS

<TABLE> <CAPTION>	AUGUST 31, 1999	NOVEMBER 30, 1998
	-----	-----
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	\$ 133,738	\$ 499,696
Stock subscription receivable	--	150,000
Accounts receivable and advances (net of allowance for doubtful accounts of \$13,380)	59,845	47,642
Receivable - litigation (See Note 9)	510,178	--
Marketable securities	113,601	198,114
Refundable income taxes	--	8,078
Prepaid expenses and other current assets	234,692	79,690
	-----	-----
Total current assets	1,052,054	983,220
	-----	-----
PROPERTY AND EQUIPMENT		
Property and equipment, net	2,380,443	2,371,993
	-----	-----
OTHER ASSETS		
Intangible assets (net of amortization of \$47,199 and \$42,269, respectively)	70,032	69,462
Marketable securities	222,984	521,279
Deposits with vendors and others	44,445	133,175
	-----	-----
Total other assets	337,461	723,916
	-----	-----
TOTAL ASSETS	\$3,769,958	\$4,079,129
	=====	=====

</TABLE>

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

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

LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE> <CAPTION>	AUGUST 31, 1999	NOVEMBER 30, 1998
	-----	-----
<S>	<C>	<C>
CURRENT LIABILITIES		
Accounts payable	\$ 324,472	\$ 293,159
Accrued expenses and withholdings	137,505	291,788
Short term borrowings	15,000	565,000
Convertible notes payable	10,000	540,000
Current portion of obligations under capital leases	4,869	4,805
	-----	-----
Total current liabilities	491,846	1,694,752
	-----	-----
OTHER LIABILITIES		
Unearned revenue	133,196	75,236
Deposits	25,000	25,000
Obligations under capital leases-net of current portion	22,527	15,928
	-----	-----
Total other liabilities	180,723	116,164
	-----	-----

STOCKHOLDERS' EQUITY		
Preferred stock (500,000 \$.01 par value authorized; 0 issued and outstanding)	--	--
Common stock (15,000,000 \$.01 par value common shares authorized; 8,815,955 at August 31, 1999 and 7,654,598 at November 30, 1998 issued and outstanding)	88,060	76,546
Additional paid-in capital	10,686,709	8,651,428
Net unrealized gain (loss) on marketable securities	(63,415)	319,393
Accumulated deficit	(7,613,965)	(6,779,154)
	-----	-----
Total stockholders' equity	3,097,389	2,268,213
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,769,958	\$ 4,079,129
	=====	=====

</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

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>

<CAPTION>

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	AUGUST 31, 1999	AUGUST 31, 1998	AUGUST 31, 1999	AUGUST 31, 1998
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
REVENUE	\$ 330,824	\$ 110,650	\$ 862,040	\$ 199,125
	-----	-----	-----	-----
COSTS AND EXPENSES:				
Cost of sales	133,441	22,739	364,879	47,221
Marketing, general & administrative expenses	951,775	560,157	1,981,775	1,480,115
Research, development and related engineering	20,206	45,403	62,711	155,219
Depreciation and amortization	28,580	33,958	85,741	113,958
	-----	-----	-----	-----
Total Cost and Expenses	1,134,002	662,257	2,495,106	1,796,513
	-----	-----	-----	-----
OPERATING PROFIT (LOSS)	(803,178)	(551,607)	(1,633,066)	(1,597,388)
	-----	-----	-----	-----
OTHER INCOME AND (EXPENSE):				
Interest income	1,176	366	1,176	10,473
Interest (Expense)	(375)	(14,303)	(2,921)	(39,057)
Award on litigation (See Note 5)	459,000	580,800	800,000	580,800
Other income	--	75,014	--	75,014
Gain on sale of unconsolidated affiliate's stock	--	191,756	--	446,855
	-----	-----	-----	-----
Total Other Income	459,801	833,633	798,255	1,074,085
	-----	-----	-----	-----
INCOME (LOSS) BEFORE EQUITY IN NET LOSS OF UNCONSOLIDATED AFFILIATE AND PROVISION FOR INCOME TAXES	(343,377)	282,026	(834,811)	(523,303)
	-----	-----	-----	-----
Provision for income taxes	--	--	--	--
Equity in net loss of unconsolidated affiliate	--	85,035	--	305,427
	-----	-----	-----	-----
NET INCOME (LOSS)	(\$ 343,377)	\$ 196,991	(\$ 834,811)	(\$ 828,730)
	=====	=====	=====	=====
NET INCOME (LOSS) PER SHARE	(\$ 0.04)	\$ 0.03	(\$ 0.10)	(\$ 0.11)
	=====	=====	=====	=====
Number of Shares Used In Computation	8,728,129	7,272,590	8,379,654	7,238,450
	=====	=====	=====	=====

</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
CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

	NINE MONTHS ENDED	
	AUGUST 31, 1999 (UNAUDITED)	AUGUST 31, 1998 (UNAUDITED)
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (834,811)	\$ (828,730)
Adjustments to reconcile net loss to cash used for operating activities:		
Depreciation and amortization	85,741	113,958
Equity in loss of unconsolidated affiliate	--	305,427
Gain on sale of investments	--	(446,855)
Payment of consulting and professional services with stock	451,476	142,392
Changes in assets and liabilities:		
Accounts receivable	(12,403)	(33,820)
Receivable litigation	(510,178)	(580,800)
Prepaid expenses and other current assets	(155,002)	(21,923)
Accounts payable	31,313	(3,002)
Unearned revenue and deposits	57,909	86,140
Accrued expenses	(154,283)	13,156
Refundable income taxes	8,078	3,230
Deposits and other	88,730	(108,533)
NET CASH USED FOR OPERATING ACTIVITIES	(943,430)	(1,359,360)
CASH FLOWS USED FOR INVESTING ACTIVITIES:		
Purchases of property and equipment-net	(84,260)	(109,359)
Proceeds from sale of investment	--	446,855
NET CASH USED FOR INVESTING ACTIVITIES	\$ (84,260)	\$ 337,496
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common stock	--	80,051
Sale of stock options	--	67,500
Repayment of debt (1)	(550,000)	--
Sale of common stock	1,215,208	137,500
Borrowing on line of credit	--	50,000
Principal payments under capital leases	(3,776)	(885)
NET CASH PROVIDED BY FINANCING ACTIVITIES:	661,432	334,166
Decrease in cash and cash equivalents	(366,258)	(687,699)

</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
CONSOLIDATED STATEMENT OF CASH FLOWS

	NINE MONTHS ENDED	
	AUGUST 31, 1999 (UNAUDITED)	AUGUST 31, 1998 (UNAUDITED)
Cash and cash equivalents:		
Beginning of year	499,696	814,156
End of period	\$133,438	\$126,457
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 2,921	\$ 39,057
Income taxes	\$ --	\$ --
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		

(1) The Company borrowed \$530,000 on convertible promissory notes. The loans were converted to 302,000 shares of the Company's common stock at a price of \$1.75 per share.

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

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 1999
(UNAUDITED)

NOTE 1 - FINANCIAL STATEMENTS

The Consolidated Financial Statements including the Consolidated Balance Sheet as of August 31, 1999, Consolidated Statements of Operations for the nine months ended August 31, 1999 and Consolidated Statement of Cash Flows for the nine months ended August 31, 1999 have been prepared by the Company, without audit. 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 at August 31, 1999 and for all periods presented have been made.

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's November 30, 1998 Annual Report on Form 10-KSB.

NOTE 2 - MARKETABLE SECURITIES

NET/TECH INTERNATIONAL

In November 1998 the Company's ownership percentage in Net/Tech International Inc. (NTTI) decreased to less than 20% of the outstanding shares of NTTI. The Company had accounted for its investment in NTTI in previous years using the equity method but as of the date upon which its ownership percentage fell below 20% the Company used the guidance in SFAS 115 ACCOUNTING FOR CERTAIN INVESTMENT IN DEBT AND EQUITY SECURITIES, to account for the investment. Under this guidance all of the Company's marketable securities are classified as available-for-sale as of the balance sheet date and reported at fair value, with unrealized gains and losses recorded as a component of stockholder's equity. Since NTTI stock is thinly traded and subject to considerable price fluctuation, were the Company to attempt to sell large blocks of shares, it is unlikely that the Company would be able to obtain the exchange market value as listed. This security is therefore subject to considerable market risk. Since the stock owned in Net/Tech International, Inc. is subject to trading restrictions a portion of this investment has been classified as a non-current asset based upon the number of shares, which may not be sold in 1999.

The Company recognized losses under the equity method for the NTTI investment during 1998 reducing the cost basis of the stock to \$0. An unrealized gain has been recorded as a component of stockholders equity in the amount of \$295,965 to reflect the fair market value of the investment as of August 31, 1999.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 1999
(UNAUDITED)

NOTE 2 - MARKETABLE SECURITIES (CONT'D)

OTHER SECURITIES

In 1997 the Company acquired 100,000 shares of an equity security in payment for the sale of a Revenue Sharing Agreement. The original cost as determined by the trading price on the date of acquisition was \$400,000. The fair value of this security as of August 31, 1999 and 1998 was \$40,620 and \$72,000 respectively and the unrealized holding loss on this security was \$359,380 and \$328,000 as of August 31, 1999 and 1998 respectively.

NOTE 3 - LINE OF CREDIT

In August 1997, the Company entered into a one-year line of credit agreement with NationsBank, N.A. ("the Bank") whereby the Company borrowed \$550,000 from the Bank. As part of the agreement, the Bank received a \$10,000 commitment fee. The agreement expired on August 21, 1998 and in December 1998, the loan was paid in full.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

In June 1998, the Company entered into an agreement, with World Medical Match, a non-profit corporation, whose mission includes assisting the poor with funds to provide them access to medical matching opportunities. The agreement states that World Medical Match agrees to grant the Company \$50,000 for the purpose of paying for 200 U-Cord™ stem cell collection kits and the first year of cryogenic storage for the benefit of indigent expectant parents. Upon execution of the agreement the Company was granted \$25,000 which is classified as a deposit on the balance sheet. The Company is currently working with local physicians and hospitals to implement this project.

As part of the September 1998 agreement between Steve Ferens and the Company, CRYO-CELL committed to issue 200,000 shares of the Company's restricted common stock in exchange for marketing services to be provided by Ferens and his team of sub-contractors. The contract is for a five year period and provides for the issuance of 10,000 shares of stock upon the signing of the agreement, 40,000 shares upon the implementation of the marketing program and 50,000 shares to be issued at various times during the contract period. The agreement calls for the balance of 100,000 shares to be issued upon the achievement of certain performance goals during the third year of the agreement. The Company issued 60,000 shares as of August 31, 1999.

In January 1999, the Company extended its marketing agreement with Lamaze Publishing Company to sponsor the Lamaze tutorial tape and full page advertisements in the Lamaze Parent Magazine at a cost of \$200,000. The extended agreement commences in April 1999. As of August 31, 1999, the Company paid \$155,235 of this agreement and is recognizing this as a prepaid expense on the balance sheet. The prepaid expense is being prorated over the term of the contract and expensed accordingly. In July 1999, the Company was informed that Lamaze Publishing Company was acquired by iVillage, Inc., a leading online women's network. The Company's agreements with Lamaze will remain in tact, including the exclusivity provisions for first rights for renewal each year.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 1999
(UNAUDITED)

NOTE 5 - LEGAL PROCEEDINGS

On July 20, 1998, the Company won a jury verdict in San Francisco Superior Court against the University of Arizona and other defendants. The award was \$1,050,000 for the breach of contract and an additional \$120,000 was awarded to the Company for the University of Arizona's misappropriation of trade secrets. The court rejected three post-trial motions by the University of Arizona to reduce the award or set aside the verdict. In August 1999, the Company accepted the University's settlement offer of \$800,000.

On February 10, 1999 the Company, the Company's Executive Vice President, the Company's legal counsel and the Company's CEO and Chairman were named as the defendants in a lawsuit filed in the Superior Court of Orange County, California by Horwitz & Beam, the attorneys which had represented CRYO-CELL in its suit against the University of Arizona et al. The plaintiff alleges breach of contract and seeks payment of \$129,822 in allegedly unpaid fees and costs associated with the University of Arizona litigation. The plaintiff also asserts claims of misrepresentation. In reference to these misrepresentation claims, plaintiff has filed a Statement of Damages, which asserts \$1,000,000 in general damages and \$3,500,000 in punitive damages.

The Company believes there is no merit to the suit and that none of the claimed \$129,822 in fees is due and owing under the contract. The Company believes that Horwitz & Beam brought this action and improperly sought punitive damages for the purpose of interfering with the Company's efforts to raise and maintain additional capital.

Accordingly, on June 14, 1999, the Company filed: (1) an answer denying all liability; (2) a counterclaim for breach of contract and malpractice, seeking in excess of \$1 million in compensatory damages arising from the malpractice; (3) a motion to dismiss the individual defendants for lack of jurisdiction; and (4) a motion to dismiss all punitive damages allegations against the Company. The court has not yet ruled on these motions.

NOTE 6 - CONVERTIBLE NOTES

In November 30, 1998, the Company borrowed \$530,000 on eleven convertible promissory notes. The notes had a term of six months at which time the principal plus interest, at 8% per year was due. The promissory notes contained a conversion provision to the Company's restricted common stock at \$2.00 per share. In February 1999, the loan agreements were converted to 302,000 shares of the Company's common stock at a price of \$1.75 per share. The loan holders agreed to forego any accrued interest and any registration rights. All shares are subject to Rule 144.

In October 1998, the Company entered into a convertible note agreement

borrowing \$10,000 from an investor. The note has a term of one year at which time the principal plus interest, at 20% per year, will be due. The noteholder has the option to be paid in full for interest plus principal or to convert to the Company's common stock at \$2.00 per share. In October 1999, the noteholder converted the promissory to 6,000 shares of the Company's restricted common stock. All shares are subject to Rule 144.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 1999
(UNAUDITED)

NOTE 7 - STOCKHOLDERS' EQUITY

In December 1998, the Company received \$580,320 from the sale of 310,000 shares of its restricted common stock at \$1.87 per share. The proceeds from this transaction were used to repay the line of credit (see Note 3). In January and February 1999, the Company received \$200,000 from the exercise of options to purchase 200,000 shares of its common stock at \$1.00 per share.

In May 1999, the Company received \$84,888 from the sale of 40,000 shares of its restricted common stock at a price of \$2.12 per share. In June 1999, the Company received \$200,000 from the sale of 100,000 shares of its restricted common stock at a price of \$2.00 per share. In August 1999, the Company received \$55,608 from the sale of 25,000 shares of its restricted common stock at a price of \$2.22 per share.

NOTE 8 - AGREEMENTS

ARIZONA

On February 9, 1999, the previous agreements with the Company's Arizona Revenue Sharing Partners were modified. The modifications were necessary due to the litigation with the University of Arizona and the investors entered into Revenue Sharing Partnership Agreements for the state of Florida. The Company will credit the investors \$450,000 (previously paid) toward the purchase of the partnership. The balance of \$550,000 will be paid through their entitlements. Per the revised agreement the partners were issued 100,000 options of the Company's common stock at an exercise price of \$2.50 per share with a five year term. The Revenue Sharing Partnership applies to storage originating from clients in the state of Florida and covers a total of 33,000 spaces. It cancels the investor's previous obligation to provide the Company with \$675,000 plus accrued interest.

ILLINOIS

In 1996, the Company signed agreements with a group of investors entitling them to an on-going 50% share in CRYO-CELL's portion of net storage revenue generated by the specimens stored in the Illinois Masonic Medical Center. Since the company will no longer be storing new specimens in Chicago, the agreements were modified in 1998 to entitle the investors to a 50% share of the company's portion of net revenues relating to specimens originating in Illinois and contiguous states and stored in Clearwater up to 33,000 spaces.

BIO-STOR

On February 26, 1999, the Company modified all previous agreements with Bio-Stor International, Inc. The modified agreement enters Bio-Stor into a Revenue Sharing Partnership Agreement for the state of New York. The Company will credit Bio-Stor's \$900,000 (previously paid) toward the purchase of 90% of the New York partnership. Bio-Stor will receive 90% of the 50% share in CRYO-CELL's portion of net storage revenues generated by the specimens originating from the Company's clients in the state of New York for up to 33,000 shared spaces. This agreement supersedes all other agreements between Bio-Stor International, Inc and the Company.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 1999
(UNAUDITED)

NOTE 8 - AGREEMENTS (CONT'D)

DUBLIND PARTNERS, INC.

In February 1999, the Company entered into an exclusive agreement with Dublind Securities, Inc. and Dublind Partners, Inc. concerning the placement of securities in a minimum amount of \$3,500,000 up to \$7,000,000. The agreement engaged DSI until July 1, 1999 and expired if a minimum of \$3,500,000 was not raised by that date.

Dublind Partners, Inc. did not raise the minimum capital required by the agreement by July 1, 1999. The Company did not agree to extend the agreement and believes that it can arrange alternative financing on more favorable terms, with significantly less dilution of the Company's common stock.

NOTE 9 - RECEIVABLE LITIGATION

The University of Arizona made a settlement offer to the Company in the amount of \$700,000 in the second quarter of 1999. On or about September 27, 1999 the Company accepted the University's offer of \$800,000 and settled the matter. The Company has deducted \$289,822 from the \$800,000, and recognizes the balance of \$510,178 as a receivable on the balance sheet. The deduction includes a 20% contingency fee (\$160,000) to the Company's previous attorneys and \$129,822 in contested legal fees that the Company feels are not due and owing under the contract (see Note 5). In September 1999, the Company received \$441,000 from the University of Arizona. The remaining balance of \$359,000 is being held in escrow, to satisfy a legal lien filed November 4, 1998 by the Company's previous attorneys, Horwitz and Beam. The Company disputes their position and has countersued Horwitz and Beam for malpractice and is seeking \$1,000,000 in compensatory damages and an unspecified amount of punitive damages deemed appropriate by the court.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

CRYO-CELL International, Inc., is a Delaware Corporation, incorporated on September 11, 1989. It is engaged in cellular storage and the design and development of cellular storage devices. During the period since its inception, the Company's activities have principally involved the design and development of its cellular storage unit ("CCEL Cellular Storage Unit") and in securing patents on the same. The Company's primary focus is to utilize its cellular storage experience and technology for the cryopreservation of umbilical cord blood (U-Cord(TM)) stem cells in its own processing and cryopreservation facility at its Clearwater, Florida headquarters. During 1998 the Company consolidated its new specimen processing and storage activities to its own state of the art facility in its Clearwater, Florida headquarters.

In June 1998, the Company signed an agreement with Women & Infants Hospital of Rhode Island for the establishment of a commercial placental/umbilical cord blood bank at their Providence, Rhode Island medical facility. Women & Infants Hospital currently has annual births in excess of 9,000 and will be offering its stem cell banking services to the parents of these newborns. Women & Infants laboratory personnel have completed their training at the Company's state of the art facility in Clearwater, Florida; commencement of processing and storage at Women & Infants laboratory is expected to commence within the next few months.

During 1999, all U-cord(TM) blood processing and preservation will be done at the Company's facility with the exception of those specimens processed at Women & Infants Hospital in Providence, Rhode Island. It is anticipated that this shift in focus will limit the number of new Lifespan(SM) Center implementations in the future.

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The Company's technology involves patented, multi-faceted cellular storage units and the technology for processing stem cells from umbilical cord blood. The Company believes that its long-term cellular storage unit will provide an improved ability to store cells or other material in liquid nitrogen, its vapors or other media. The unit is controlled by a computer system that robotically inserts vials in pre-selected storage areas inside the chamber. Additionally, the stored material can be robotically inserted or retrieved by computer on an individual basis without all of the remaining specimens being exposed to ambient temperature. The efficient use of storage space and dual identification system for inventory control is a competitive advantage for the Company. The Company is the assignee of all patents on the units.

An independent manufacturer utilizing the Company's patented design currently assembles the unit. The Company has been advised by Underwriters Laboratories ("U/L") that it has passed all required inspections and the unit is now U/L listed. In order to affix the U/L label to all units that are deployed in the future, they must contain the same parts, operating capabilities and features as in the tested CCEL II model.

In July 1999, the Company was informed that the patent on the CCEL III computer controlled robotically operated cellular storage system has been granted. The CCEL III is designed to be multi-functional and to meet international manufacturing requirements. When completely developed the unit will be able to store more than 35,000 specimens in 5ml vials. Moreover, as many as 8 million one inch vials could be preserved in approximately 250 square feet. The Company's attorneys are filing for patents in 17 European countries, including the United Kingdom, Germany, France, Italy, Ireland, the Benelux countries, plus Canada, Japan and others. The prototype is expected to be complete in the first quarter of 2000.

The following is a discussion and analysis of the financial condition and

results of operations of the Company for the quarter ended August 31, 1999 as compared to the same period of the prior year.

GENERAL

CRYO-CELL has renewed its agreement with the Lamaze Publishing Company to sponsor the Lamaze YOU AND YOUR BABY tutorial tape. The agreement calls for Lamaze to distribute the videotape to 1.8 million women in their third trimester of pregnancy. Over 90% of first time mothers and 45% of the pre-natal market avail themselves of the Lamaze Institute for Family Education proven instruction program. The tutorial tape, which will be distributed by over 12,000 instructors, discusses the importance of cord blood storage and refers viewers to the full page ad the company has placed in the Lamaze Parents Magazine, which will be distributed to 2.4 million expectant mothers. In addition, the Company has also placed an ad in "Lamaze para Padres", Lamaze Publishing's magazine for Hispanic mothers-to-be. The Company has exclusivity on the tutorial tape in the cord blood storage category and first right of refusal for renewal of the agreement beyond 1999.

In July 1999, the Company entered into a 20-year exclusive agreement with the Cancer Group Institute, LLC, the nation's premier cancer information service. The Cancer Group's Web site, www.cancergroup.com, is accessed by approximately 25,000 oncologists, radiologists and cancer patients daily. The multi-faceted agreement will initially focus on bringing expectant mothers who have a family history of cancer vital information about preserving their newborn's umbilical cord blood stem cells. Oncologists working with patients who are pregnant will be linked to the CRYO-CELL Web site to become more aware of the affordable alternative to having cord blood "thrown away" as waste material at birth. The Company will also be working with the Cancer Group to heighten the awareness of insurance companies, oncologists and cancer patients nationwide as to the importance of cord blood preservation for the family.

In June 1998, the Company entered into an agreement with International Broadcast Corporation (IBC). IBC was to produce a one-half hour infomercial relating to CRYO-CELL's U-Cord™ stem cell processing and storage activities. IBC has since been acquired by 5th Avenue Channel Corp. In May 1999, the Company signed an exclusive joint venture marketing agreement with 5th

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Avenue Channel Corp. Under the terms of the new agreement, the Company and 5th Avenue Channel will have an equal 50-50 partnership in a new corporation, the Newbirth Network, Inc. This new entity will offer important health information and products to expectant parents through 5th Avenue's television, Internet and mass marketing distributions. Upon calling 5th Avenue Channel's toll-free number, expectant parents can receive a videotape explaining the option they have for storing their newborn's cord blood stem cells. 5th Avenue Channel has committed to producing and distributing a minimum of one million tapes for a small shipping and handling charge.

In September 1999, the Company was granted a Blood Bank license to operate in the state of New Jersey. The Company is now authorized to operate in all 50 states.

The Company markets its cellular banking services by targeting expectant parents through direct information to obstetricians, pediatricians, Lamaze instructors, childbirth educators, certified nurse-midwives and other related healthcare professionals. In addition, the Company exhibits at conferences, trade shows and other media which focus on the expectant parent market. Of significant note is the increasing level of interest being generated by the Company's website, www.CRYO-CELL.com.

During the quarter, the Company continued its program of marketing its Revenue Sharing Agreements. Under this arrangement the Company shares its storage revenues with investors who receive entitlements on storage spaces.

YEAR 2000

The Company has analyzed the Year 2000 (Y2K) impact on its business and has determined that this will not have a material impact to the Company's business, products, operations or financial condition. The Company does not use any internally developed application platforms. All business support systems and applications are created on commercially available packages that are either already confirmed to be Y2K compliant, or will be compliant with an upgrade to the latest release. All software upgrades are scheduled for completion during the fourth quarter of 1999. An Integrated Systems Test will be scheduled once all of the software applications have been upgraded.

The outside independent contractor responsible for manufacturing the CCEL II Cellular Storage System has certified that, once the operating system and database applications have been upgraded to the most current release, it will be Y2K compliant. The upgrades have commenced and are scheduled for completion during the fourth quarter of 1999.

The Company has required commitment from its vendors that they will provide

the Company uninterrupted service before, during, and after January 1, 2000. All of the mission critical vendors the Company uses are either already Y2K compliant, or will be compliant by the end of the fourth quarter of 1999.

MANAGEMENT

At present there are 15 employees on the staff of the Company. Daniel D. Richard serves as the Chairman of the Board and Chief Executive Officer.

In February 1998, Gerald F. Maass joined the Company as Executive Vice President and General Manager. Mr. Maass resigned from a 10-year tenure with Johnson & Johnson (Critikon) where he served as International Director of Marketing. Mr. Maass' international contacts will be invaluable in the development of strategic alliances for the Company's proprietary technology in foreign markets. Along with extensive marketing experience, Mr. Maass also brings to CRYO-CELL experience in the medical technology field. In September 1998, Mr. Maass was appointed a member of the Company's Board of Directors.

In April 1999, Geoffrey J. O'Neill, Ph.D. joined the Company as Laboratory Director. Prior to joining the Company Dr. O'Neill was at Florida Medical Center, Ft. Lauderdale, Florida where he

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established an autologous program for the collection, isolation and cryopreservation and storage of hematopoietic progenitor cells, primarily for breast cancer patients. Dr. O'Neill was previously Director of the Bone Marrow Laboratory at the University of Miami/Jackson Memorial Hospital, establishing the laboratory within the Department of Pathology. As Assistant Director of the Transfusion Service, he had responsibility for this AABB accredited program, which supported both allogenic and autologous stem cell transplants. Dr O'Neill did his post-doctoral fellowship in Immunobiology at Memorial Sloan-Kettering Cancer Center, NY, under the auspices of Dr. Robert A. Good, a pioneer in bone marrow transplantation. His undergraduate degree is in microbiology; his Ph.D. in immunology. A co-author of over 80 publications, Dr. O'Neill is an expert in the fields of immunohematology, blood banking, HLA typing and flow cytometry.

RESULTS OF OPERATIONS

REVENUES. Revenues for the nine months ended August 31, 1999 were \$862,040 as compared to \$199,125 for the same period in 1998 which represents a 333% increase. The increase in revenues reflects the significant growth in the processing and storage revenue associated with the Company's U-Cord™ stem cell program. The Company believes that the growth is a result of its investments in its various marketing programs, including its activities with Lamaze Publishing, the launch of the Medical Marketing Network and the increased traffic on its updated Web site www.CRYO-CELL.com.

COST OF SALES. Cost of sales for the nine months ended August 31, 1999 were \$364,879 as compared to \$47,221 in 1998. For the period ended August 31, 1999, \$38,265 of the total cost of sales represents the entitlements associated with the Revenue Sharing Agreements. The remaining cost of sales for the nine months ended August 31, 1999 represents the associated expenses resulting from the processing and testing of the U-Cord™ specimens in the Company's own state of the art laboratory in Clearwater, Florida.

MARKETING, GENERAL AND ADMINISTRATIVE EXPENSES. Marketing, general and administrative expenses during the nine months ended August 31, 1999 were \$1,981,775 as compared to \$1,480,115 in 1998. The increase reflects the expense of market development, client services associated with the Company's cellular storage program, continued product development, and the establishment of an expanded management team to handle the continuing growth. In addition, the Company incurred non-recurring legal expenses associated with the settlement with the University of Arizona and the malpractice litigation with the Company's previous attorneys, Horwitz and Beam. The legal expenses account for 16% of the total marketing, general and administrative expenses for the nine months ended August 31, 1999 and were paid for with registered shares of the Company's common stock.

RESEARCH, DEVELOPMENT AND RELATED ENGINEERING EXPENSES. Research, development and related engineering expenses for the nine months ended August 31, 1999, were \$62,711 as compared to \$155,219 in 1998. The expenses incurred reflect the continued development of the Company's second generation cellular storage unit, as well as, the research and development of the Company's third generation cellular storage systems.

LIQUIDITY AND CAPITAL RESOURCES

At August 31, 1999, the Company had cash and cash equivalents of \$133,538 as compared to \$126,457 at August 31, 1998. In September 1999, subsequent to the balance sheet date, the Company received \$441,000 as part of the settlement agreement with the University of Arizona. The balance of the settlement (\$359,000) has been placed in escrow to satisfy a legal lien (see Note 9). The Company believes that this entire balance will ultimately be realized once the litigation with Horwitz & Beam is resolved.

To date, the Company's sources of cash have been from the issuance of its own equities, the sale of Revenue Sharing Agreements, the borrowing on a line of credit, the borrowing on a convertible loan and the sale of subsidiary stock.

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The Company anticipates that cash reserves, cash flows from operations and the anticipated sale of its preferred stock will be sufficient to fund its growth. Cash flows from operations will depend primarily on increasing revenues resulting from an extensive umbilical cord blood cellular storage marketing campaign. The Company's direct sales of its U-Cord(TM) cellular storage program have begun to increase significantly due to the awareness being created through its activities with Lamaze Publishing, the Company's Web site and other forms of marketing exposure.

FORWARD LOOKING STATEMENTS

In addition to historical information, this report contains forward-looking statements within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the section entitled "Management's Discussion and Analysis or Plan of Operation." 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 most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q to be filed by the Company in 1999 and any Current Reports on Form 8-K filed by the Company.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

- I. In December, 1992, CRYO-CELL entered into an exclusive agreement with the University of Arizona to develop and enhance a commercial (paid for) cord blood stem cell bank. CRYO-CELL provided the means for the University to obtain approximately 1400 paying clients. Prior to the termination of the exclusive agreement, which CRYO-CELL alleges was unwarranted, the University breached its contract with CRYO-CELL and entered into an Agreement with Cord Blood Registry, Inc. (CBR).

On or about July 11, 1996, CRYO-CELL filed suit in San Francisco Superior Court against the University of Arizona, Dr. David Harris and Cord Blood Registry, Inc. The suit claimed breach of contract and other related business torts. Months later, after settlement discussions were unproductive, the University of Arizona counter-sued CRYO-CELL for breach of contract and negligent misrepresentation.

On July 20, 1998, as a result of the evidence, the jury awarded \$1,050,000 against Defendant University of Arizona. In addition, an award of \$120,000 was granted against the University of Arizona and David Harris, individually, for misappropriation of trade secrets. The jury voted unanimously against the University and in favor of CRYO-CELL as to the counter claims. The court rejected three post-trial motions by the University of Arizona including a request to reduce the award or set aside the verdict. The University of Arizona made a settlement offer to the Company in the amount of \$700,000 in the second quarter of 1999.

On or about September 27, 1999 the Company accepted the University's offer of \$800,000 and settled the matter. On September 30, 1999, the Company received \$441,000 from the University of Arizona. The remaining balance of \$359,000 is being held in escrow, to satisfy a legal lien filed November 4, 1998 by the Company's previous attorneys, Horwitz and Beam. The Company disputes their position and has countersued Horwitz and Beam for malpractice and is seeking \$1,000,000 in compensatory damages and an unspecified amount of punitive damages deemed appropriate by the court.

- II. CRYO-CELL retained the services of Horwitz & Beam, a California law firm, to handle the above described lawsuit including its allegations against CBR for interference in a legitimate contract between two parties and unfair business practices, among other claims. The court granted a summary judgment dismissal in favor of CBR. CRYO-CELL believes that Horwitz & Beam mishandled the CBR aspect of the case and certain aspects of its case against the University of Arizona. There is

a dispute concerning the amount of fees owed by the Company to Horwitz & Beam.

On March 8, 1999, the Company, the Company's Executive Vice President, the Company's legal counsel and the Company's CEO and Chairman were named as the defendants in a lawsuit filed in the Superior Court of Orange County, California by Horwitz & Beam, the attorneys which had represented CRYO-CELL in its suit against the University of Arizona et al. The plaintiff alleges breach of contract and seeks payment of \$129,822 in allegedly unpaid fees and costs associated with the University of Arizona litigation. The plaintiff also asserts claims of misrepresentation. In reference to these misrepresentation claims, plaintiff has filed a Statement of Damages, which asserts \$1,000,000 in general damages and \$3,500,000 in punitive damages.

The Company believes that the naming of certain officers and the Company attorney individually, (although they were operating in their corporate capacities) is an abuse of the civil process and, moreover, is an attempt to interfere with the Company's ability to raise additional capital.

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The Company believes there is no merit to the suit. The Company believes that none of the claimed \$129,822 in fees is due and owing under the contract.

Accordingly, on June 14, 1999, the Company filed: (1) an answer denying all liability; (2) a counterclaim for breach of contract and malpractice, seeking in excess of \$1 million in compensatory damages arising from the malpractice; (3) a motion to dismiss the individual defendants for lack of jurisdiction; and (4) a motion to dismiss all punitive damages allegations against the Company. The court had not ruled on these motions.

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 3.1 Certificate of Incorporation (1)
- 3.11 Amendment to Certificate of Incorporation (1)
- 3.2 By-Laws (1)
- 3.21 Board Minutes to Amendment of By-Laws
- 10.11 Agreement with InstaCool of North America, Inc. (2)
- 10.12 Agreement with the University of Arizona (2)
- 10.13 Agreement with Illinois Masonic Medical Center (4)
- 10.14 Agreement with Bio-Stor (4)
- 10.15 Agreement with Gamida-MedEquip (4)
- 10.16 Agreement with ORNDA HealthCorp
(Tenet HealthSystem Hospitals, Inc.) (4)
- 10.17 Convertible Note from Net/Tech International, Inc.
Dated November 30, 1995 (3)
- 10.18 Amended Agreement with Bio-Stor (5)
- 10.19 Agreement with Dublind Partners, Inc. (6)
- 10.20 Agreement with Medical Marketing Network, Inc. (6)
- 21 List of Subsidiaries (3)
- 27 Financial Data Schedule

-
- (1) Incorporated by reference to the Company's Registration Statement on Form S-1 (No. 33-34360).
 - (2) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1994.
 - (3) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1995.
 - (4) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1996.
 - (5) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1997.
 - (6) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1998.

(b) Reports on Form 8-K.

- (1) Form 8-K filed September 12, 1997 - Resignation of William C. Hardy as President, Chief Operating Officer and member of the Board. Resignation of Leonard Green from the Board of Directors.
- (2) Form 8-K filed November 18, 1997 - Company filed a multi-count lawsuit in the United States District Court, Northern District of New York claiming that Stainless Design Corporation of Saugerties, New York breached its contract.

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

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

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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/DANIEL D. RICHARD

Daniel D. Richard
Chief Executive Officer

Date: October 14, 1999

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EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
----- 27	----- Financial Data Schedule (for SEC use only)

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