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# Cyclopharm Limited

## Annual General Meeting

1 May 2008

# Chairman's Welcome

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**cyclopharm**  
Nuclear Medicine



Welcome to the Annual General Meeting of  
Cyclopharm Limited

# Agenda

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## Business

Managing Director's Review

Question Time

Close

# Proxy Summary

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Resolution	Business	For	Against	Abstain
1	Remuneration Report	65,461,653	56,814	5,000
2	Election of Director	46,683,828	-	18,839,639
3	Dividend Reinvestment Plan	65,468,961	28,819	25,687

\*Includes Open Useable Proxies that have instructed the Chairman to vote on their behalf and have been voted in favour of the resolution.

# Agenda

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Business

**Managing Director's Review**

Question Time

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# Highlights



- ☑ Strong balance sheet
- ☑ Strong trading cashflow
- ☑ Development and implementation of Molecular Imaging division progressing well
- ☑ Strong underlying performance of the Technegas division
- ☑ Future growth of the business underpinned by capital investment by customers in TechnegasPlus generators
- ☑ Cyclopharm well positioned for maintainable profits and future success

# Mission

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**cyclopharm**  
Nuclear Medicine



Our aim is to be the leading nuclear medicine company in the region

**Nuclear Medicine** relies on diagnostic radiotracers to **detect** and **monitor** various disease states for **oncology, cardiology and neurology**.

## Key characteristics:

Non invasive (provides a view of the “inside” without surgery)

Safe, painless, cost effective

Provides information on major organs of the body

Approx 100 types of procedure available

Radiation dose comparable to a diagnostic x-ray



# Molecular Imaging

Nuclear medicine is experiencing significant **growth driven by PET**

Positron Emission Tomography (“PET”) allows physicians to differentiate between healthy and diseased tissue and therein:

**Detect** cancer more accurately

Detect cancer earlier than conventional methods

Identify the **stage** of the disease

Improved therapy prescription

Better **monitoring** of the therapy effectiveness

Ultimately better patient care



# Molecular Imaging

## PET Central Pharmacies

### New South Wales

Construction of the first PET Central Pharmacy has commenced at the Macquarie-Dalcross Private Hospital in North Ryde, New South Wales.



### Victoria

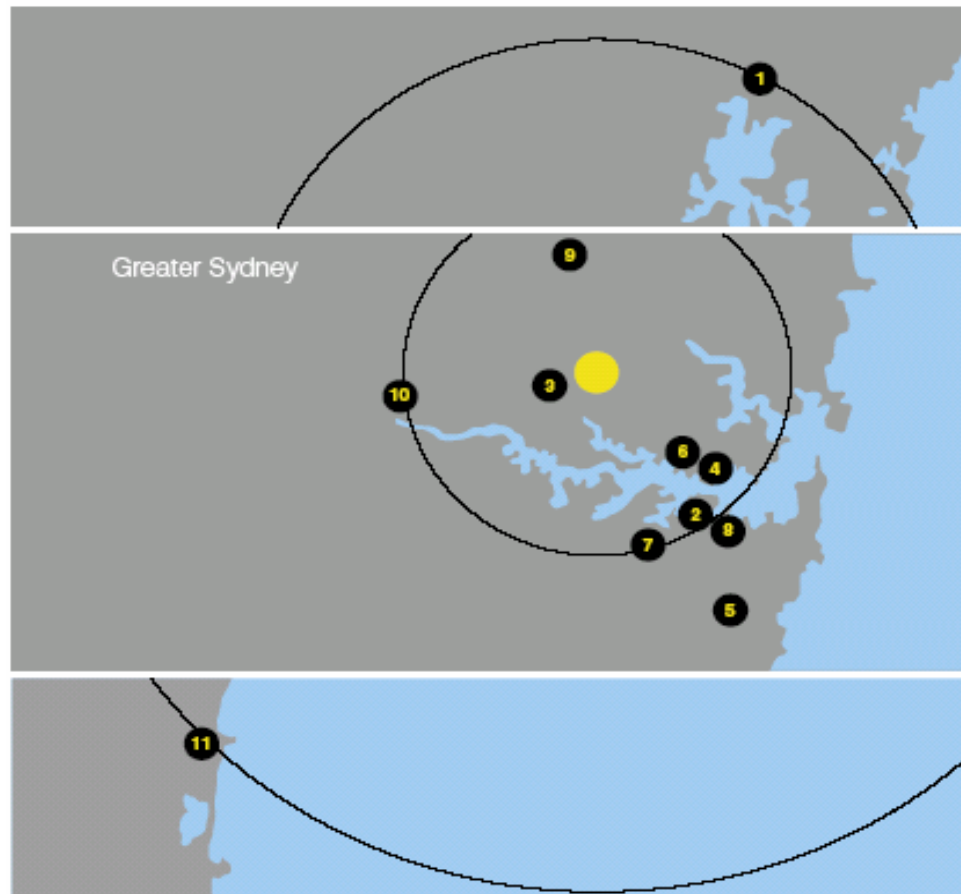
Purchased site and completing design for a purpose built PET Central Pharmacy in Kensington, Victoria. The site is in close proximity to major hospitals.



# Molecular Imaging



## PET Pharmacy – Greater Sydney



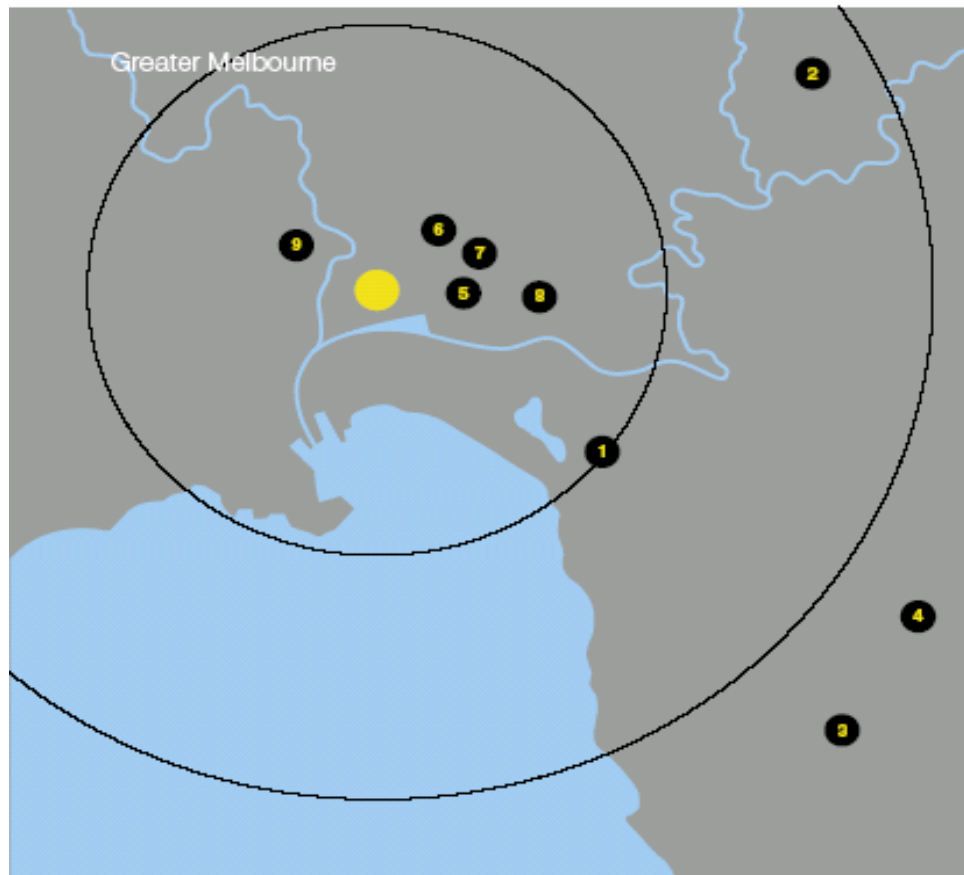
Cyclopharm's PET Central Pharmacy for the Greater Sydney Area is to be located within the Macquarie Dalcross Private Hospital, North Ryde. The immediate catchment area and potential customers for the Company's products is shown on the adjacent map.

### Macquarie Dalcross Private Hospital

#### Sydney

- 1 Central Coast Hospital
- 2 Liverpool Hospital
- 3 Macquarie Hospital
- 4 Mater Hospital
- 5 Prince of Wales Hospital
- 6 Royal North Shore Hospital
- 7 Royal Prince Alfred
- 8 St Vincents Hospital
- 9 Sydney Adventist Hospital
- 10 Westmead Hospital
- 11 Woolongong Hospital

## PET Pharmacy – Greater Melbourne



Cyclopharm's PET Central Pharmacy for the Greater Melbourne Area is to be located at a purpose built facility in Lloyd Street Kensington. The immediate catchment area and potential customers for the Company's products is shown on the adjacent map.

Lloyd Street Kensington

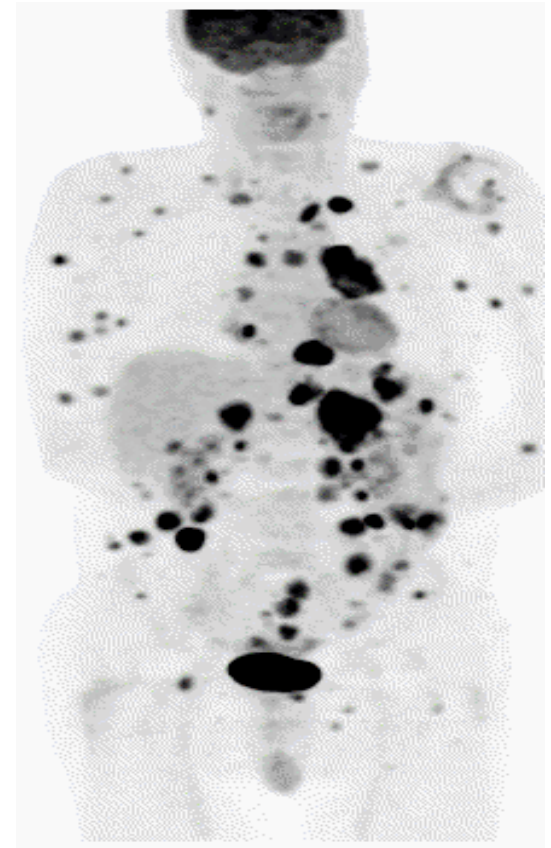
Melbourne

- 1 Alfred Hospital
- 2 Austin Hospital
- 3 MIA Moorabbin
- 4 Monash Medical Centre
- 5 Peter McCallum Hospital
- 6 Royal Childrens Hospital
- 7 Royal Melbourne Hospital
- 8 St Vincents Hospital
- 9 Western General Hospital

## Industry Developments

Major industry participants developing molecular imaging strategies – the development of PET/CT capable machines continues to influence market in a positive way

Industry submission to Government to expand the number of indications for rebate – progressing. Existing arrangements extended to 30 June 2008





## Industry Developments (continued)

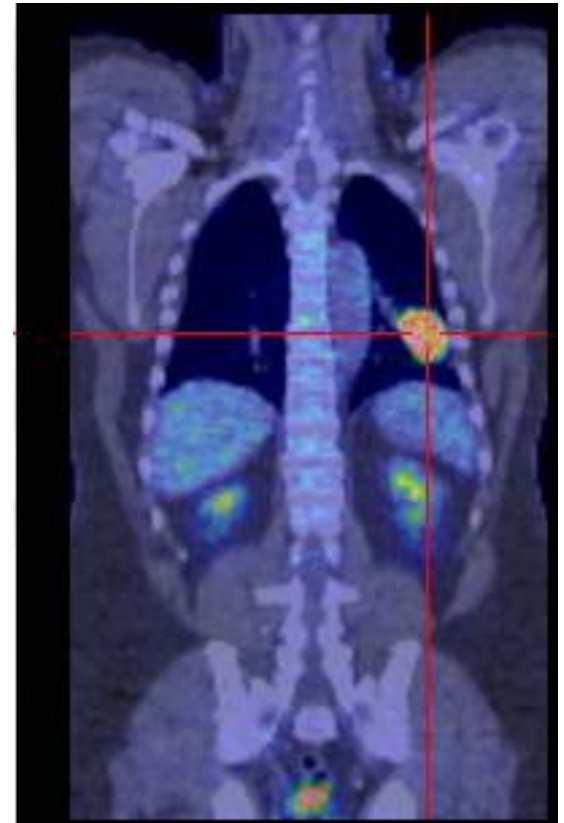
In 2001 - 15 indications approved for rebate for 7 camera's

In 2005 any institution that met government guidelines could claim 3 rebates

In 2007 government widened eligibility criteria and extended existing agreement until 30 June 2008

30,000 patients studied over 25 months to 15 April 2005 – concluded compelling case for PET

Cyclopharm's PET pharmacies to contribute to industry growth



# Financial Analysis

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<b>Full Year ending 31 December</b>		<b>2005</b>	<b>2006</b>	<b>2007</b>
Sales Revenue	\$'000	8,806	10,332	11,128
NPAT	\$'000	1,582	2,028	1,131
EPS	cents	1.48	1.87	0.83

Strong annual sales growth and strong cash flow

EPS negatively impacted by:

Delay in regulatory approval in key growth markets

Establishment of Molecular Imaging division

One off costs

Higher operating costs of listed company

# Financial Analysis

## Strong Balance Sheet

Working capital increase 119%

Current liabilities down 64%

Total liabilities down 62%

Net Assets increased 1397%

Conservatively geared

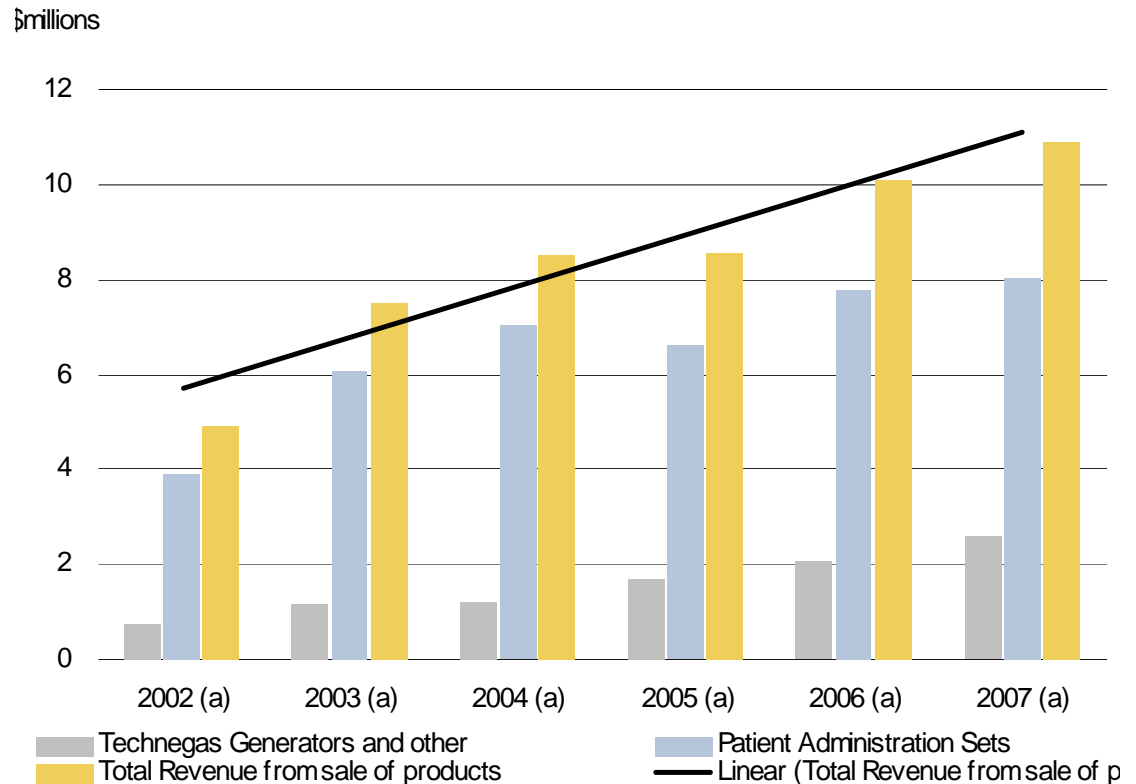
<b>Balance Sheet Summary</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
Cash and receivables	5,183,393	4,848,450
Inventory	2,348,074	2,013,488
Other	232,262	148,606
<b>Total Current Assets</b>	<b>7,763,729</b>	<b>7,010,544</b>
<b>Non Current Assets</b>	<b>3,213,820</b>	<b>2,195,702</b>
<b>Total Assets</b>	<b>10,977,549</b>	<b>9,206,246</b>
Trade and other payables	1,252,937	3,994,116
Other	331,981	426,442
<b>Total Current Liabilities</b>	<b>1,584,918</b>	<b>4,420,558</b>
<b>Total Non Current Liabilities</b>	<b>2,050,487</b>	<b>5,351,748</b>
<b>Total Liabilities</b>	<b>3,635,405</b>	<b>9,772,306</b>
<b>Net Assets</b>	<b>7,342,144</b>	<b>(566,060)</b>



# Financial Analysis

## Sales revenue

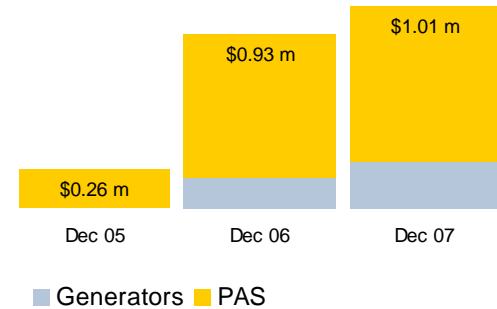
Cyclopharm expects growth in Technegas sales revenue to continue



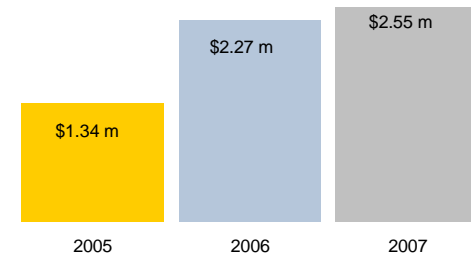
# Financial Analysis

## Regional Analysis

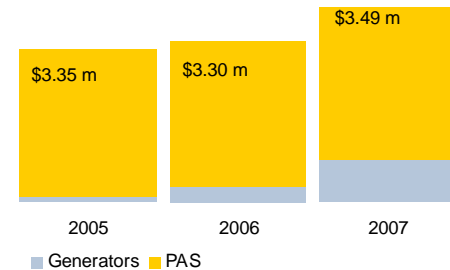
Strong growth in Europe from France, Germany and other European countries



Germany revenue



France, PAS Revenue



Europe-Other revenue

# Financial Analysis

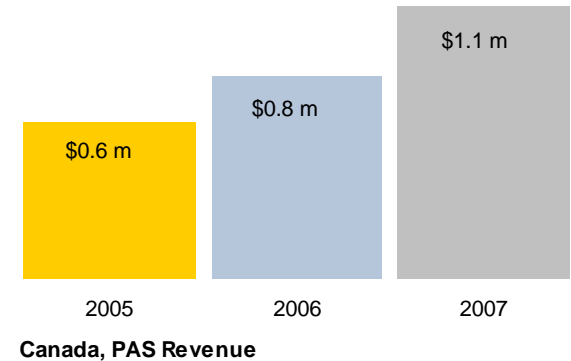
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## Regional Analysis

Canada continues to be our star performer with revenue growth 38%. We expect continued growth of 30% in 2008.

We expect further recovery and continued growth in Asian markets



# Financial Analysis



## Variance Analysis to Prior Year

<b>Full Year Ending 31 December</b>	<b>2007</b>	<b>2006</b>	<b>Variance</b>
<b>Sales volume</b>			
Generators (sold)	113	89	24
Patient Administration Sets	176,700	166,950	9,750
<b>Sales revenue</b>			
Generators	2,825,405	2,234,684	590,721
Patient Administration Sets	8,302,819	8,097,145	205,674
Other	101,406	10,856	90,550
<b>Total Sales</b>	<b>11,229,630</b>	<b>10,342,685</b>	<b>886,945</b>
<b>Cost of materials and manufacturing</b>	<b>(3,121,919)</b>	<b>(2,858,063)</b>	<b>(263,856)</b>
<b>Operating Expenses</b>	<b>(6,494,366)</b>	<b>(4,858,458)</b>	<b>(1,635,908)</b>
<b>Earnings before interest and tax</b>	<b>1,613,345</b>	<b>2,626,164</b>	<b>(1,012,819)</b>

# Financial Analysis

Comparison of 2007 and 2006 results impacted by:

Technegas continues to grow but impacted by one off costs associated with product launch and regulatory approval.(\$370,000)

For the year ended 31 December	2007	2006
	\$	\$
<b>Technegas Division</b>		
Revenue	11,143,379	10,331,832
Profit before income tax	2,642,767	2,665,360
<b>Molecular Imaging</b>		
Revenue	-	-
Profit before income tax	(399,304)	(114,938)
<b>Corporate</b>		
Revenue	86,251	10,856
Profit before income tax	(853,725)	(211,115)
<b>Consolidated</b>		
Revenue	11,229,630	10,342,688
<b>Profit before income tax</b>	<b>1,389,737</b>	<b>2,339,307</b>

# Financial Analysis



## Cost of Materials Variance Analysis

<b>Full Year Ending 31 December</b>	<b>2007</b>	<b>2006</b>	<b>Variance</b>
<b>Cost of materials and manufacturing</b>	<b>(3,121,919)</b>	<b>(2,858,063)</b>	<b>(263,856)</b>

Whilst the cost of raw materials to manufacture generators increased 14% overall margins from the sale of Technegas products were consistent with 2006.

CYC did not look to pass the increased cost to customers Cyclopharm manufactured and sold more generators than Prospectus forecast resulting in a higher cost incurred.

# Financial Analysis

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Nuclear Medicine



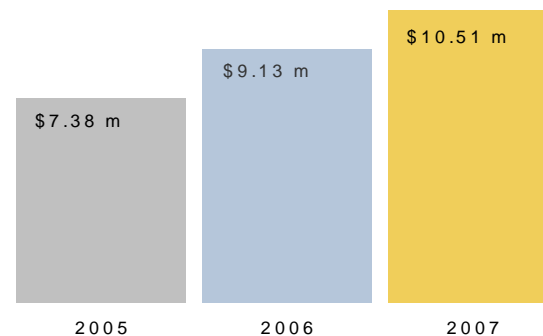
## Operating Expenses Variance Analysis

Full Year Ending 31 December	2007	2006	Variance
<b>Legal Patent &amp; Other</b>	(845,650)	(486,766)	(358,884)
<i>One off Legal Patent &amp; Other expenses</i>			(288,585)
<i>Increase Audit, compliance and shareregistry costs</i>			(62,253)
<i>Other</i>			(8,000)
			(358,838)
<b>Office &amp; Facility costs</b>	(802,665)	(563,169)	(239,496)
<i>Insurance</i>			(70,227)
<i>ASX listing fees</i>			(34,088)
<i>Annual Report - publishing &amp; printing</i>			(45,024)
<i>Media</i>			(7,000)
<i>Equipment write off</i>			(32,000)
<i>Other</i>			(51,157)
			(239,496)
Consumable costs			(145,366)
Increase Employee Benefits Expenses			(856,630)
Increase Freight & Delivery costs			(160,417)
Increase Depreciation and Amortisation			(84,411)
Other costs			89,908
<b>Operating Expenses</b>	<b>(6,494,366)</b>	<b>(4,858,458)</b>	<b>(1,635,908)</b>

# Financial Analysis

## Cash Receipts

Cyclopharm continues to generate strong positive cash flow



**Operating cash receipts up 15%**



# Q1 2008 Result



<b>For the 3 months ending 31 March</b>	<b>2007</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Sales revenue	2,018	2,038
OPEX	(1,377)	(1,133)
EBIT	(391)	192

Cyclopharm expect strong sales and profit from Italy, Russia, Canada, France, Germany et al by year end.

# Comment on Year End Forecast

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Another record sales year is expected

Strong positive cash flow

Technegas continues to grow

Molecular imaging continues to develop

Certain 2007 costs are non-recurring (e.g. new product registration and name change)

Year end EBIT forecast of \$2.0+ million

# Business Initiatives

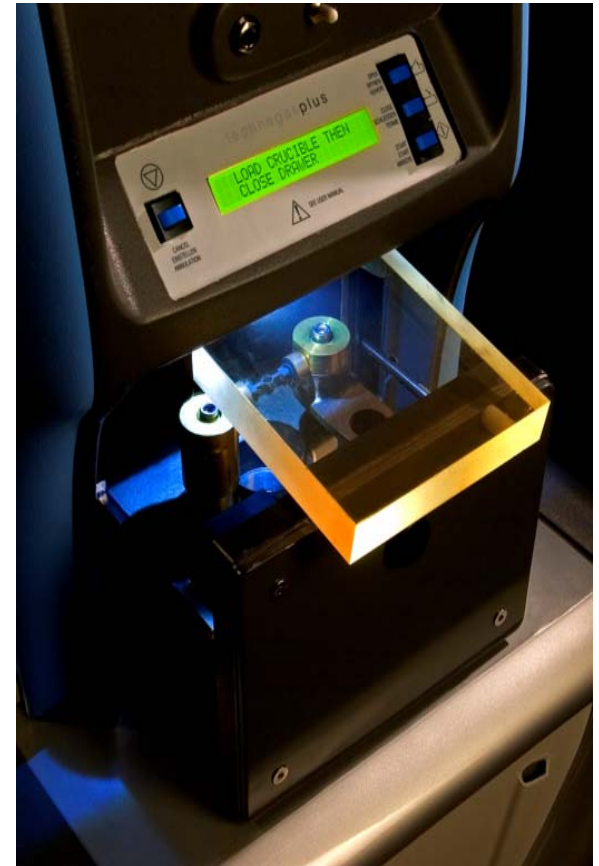
## New Drug Application (NDA)

Phase III clinical trials finalised in  
October 2007

Certus International together with Dr  
Robert Wolfangel are preparing our  
NDA submission

Submission of NDA scheduled for  
June 2008

Approval expected in late 2009



# Business Initiatives



## Italy

Registration of medical reimbursement received in December 2007. Significant sales growth expected in 2008.

## Russia

First sales of Technegas to a luminary nuclear medical site in Russia. There are in excess of 700 nuclear medicine sites in Russia. Significant growth expected from this market

# Business Initiatives



## Brazil

Pursuing regulatory approval in Brazil which has 350 nuclear medicine sites - approval delayed expected in 1H2008.

## Mexico

Achieved regulatory approval in Mexico. Three generators have been sold. 50 nuclear medicine sites in Mexico City.

# Business Initiatives

## Asia

We achieved 62% growth in Asia for PAS. We will continue to invest in developing Asian markets

## Other

We continue to develop our new markets in Tunisia and Oman, Panama, Dominican Republic, Columbia, Peru and Venezuela.

We have made inroads into Argentina, Uruguay, Chile and Costa Rica.

# Management

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Cyclopharm has entered the next phase of development

Mr Sharman intends to step aside from his role as Managing Director but will continue as a non-executive director

A Managing Director with radiopharmaceutical experience has been identified and the Board is hoping to make an announcement soon.

# Conclusion

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Focus on NDA submission to sell Technegas in United States

Construction of PET Pharmacy in North Ryde, NSW has commenced

Another record sales year expected

New Managing Director with radiopharmaceutical experience to commence in 2008

Radiopharmaceuticals improve the quality of life for people afflicted with life threatening diseases.



# Agenda

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Business

Managing Director's Review

**Question Time**

Close

# Agenda

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Business

Managing Director's Review

Question Time

**Close**