



Cyclopharm Limited

Annual General Meeting

24 May 2012

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All references to dollars are to Australian dollars.

Agenda



Chairman's Address

Managing Director's Review

Question Time

Business

Close

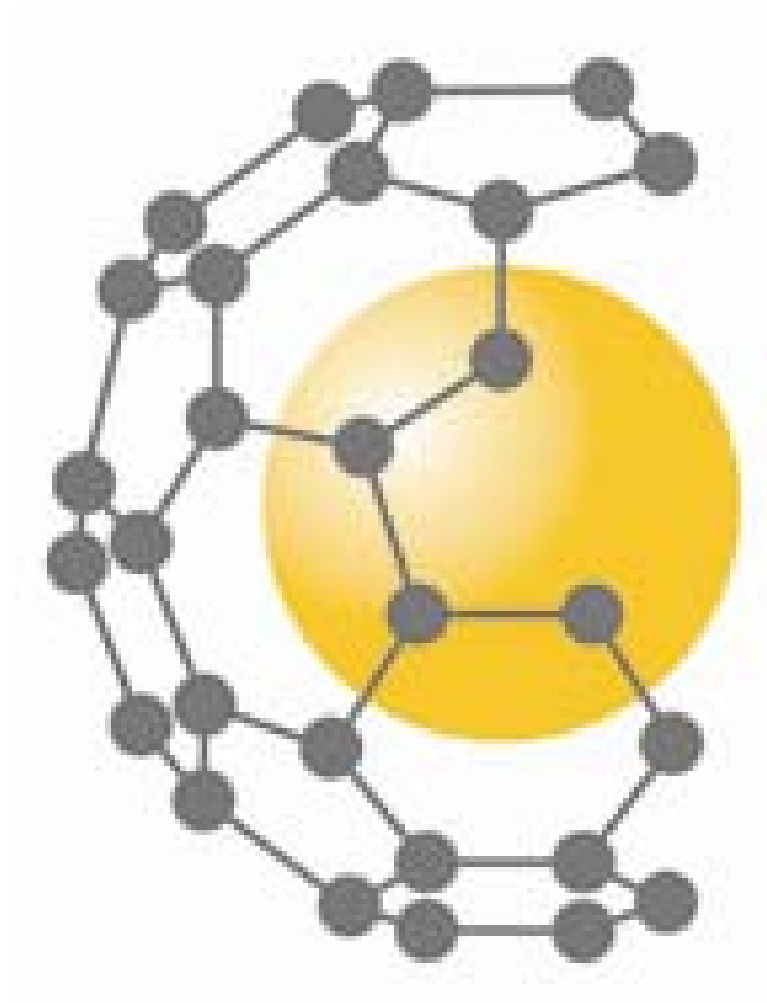
Chairman's Address

Vanda Gould



Managing Director's Review

James McBrayer



Mission & Values



Strategy

To be the recognised world leader in pulmonary imaging and the Australasian manufacturing leader of radiopharmaceuticals used in Positron Emission Tomography

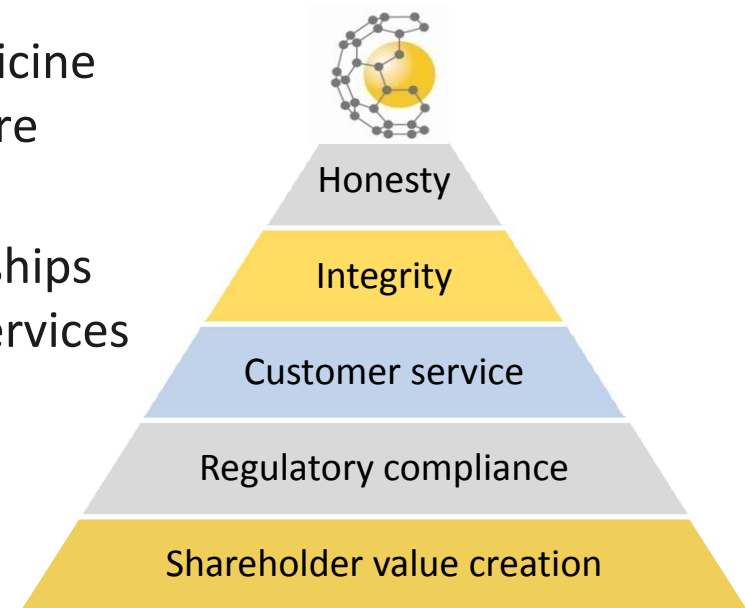
Mission

Cyclopharm’s mission is to enable nuclear medicine clinicians with the ability to improve patient care outcomes.

We will achieve this through strategic partnerships and the provision of diagnostic products and services to the global nuclear medicine community.

Values

We will deliver our mission ethically through our core values of:



Cyclopharm business

Three business units

Cyclopharm - helping save lives everyday!

Technegas

Established in 1986 continues to generate revenue, profits and strong cash flows through the manufacture and distribution of drugs and equipment for lung imaging



Radiopharmaceuticals

Establishment of PET central pharmacies to produce PET radiopharmaceuticals



Diagnostic Imaging

Developing centres that provide services ranging from specialised nuclear medicine to a full complement of imaging modalities



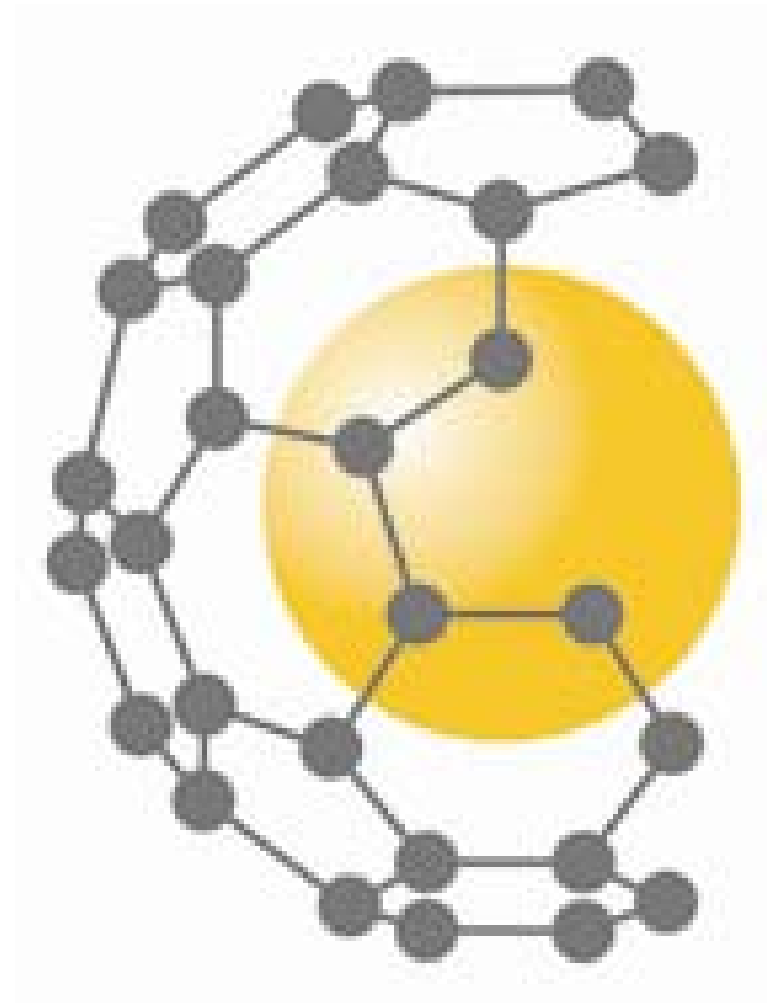
Highlights – 2011

Delivering on our Strategy

- ✓ Technegas business strong and consistent with Patient Administration Sets (PAS) units increasing 4% over previous year
- ✓ United States FDA approval of Special Protocol Assessment during Q1 2011. Investigational New Drug Application (IND) approved Q4 2011 following. Clinical trial to commence Q2 2012
- ✓ Cyclotron facility completed its first year of operations
- ✓ PET Indications doubled from 10 to 20
- ✓ Productivity Commission investigates ANSTO and finds in our favour
- ✓ Diagnostic Imaging joint venture finishes 2012 with new shareholder
- ✓ Net Capital Raising of \$2.0m achieved December 2011



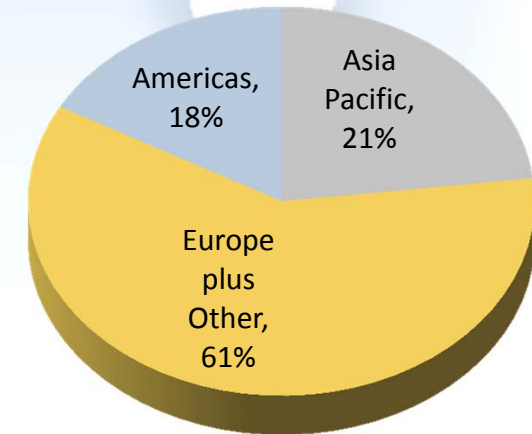
Segmental Overview



Technegas

Global footprint

- Technegas is sold in 55 countries across the world
- Over 2,600,000 patient studies since 1986
- 170,000 patient studies conducted in 2011
- 1,240 Technegas generators sold globally
- Expanding operations in North America pending clinical trial and approval of United States FDA



Molecular Imaging - Positron Emission Tomography (PET)

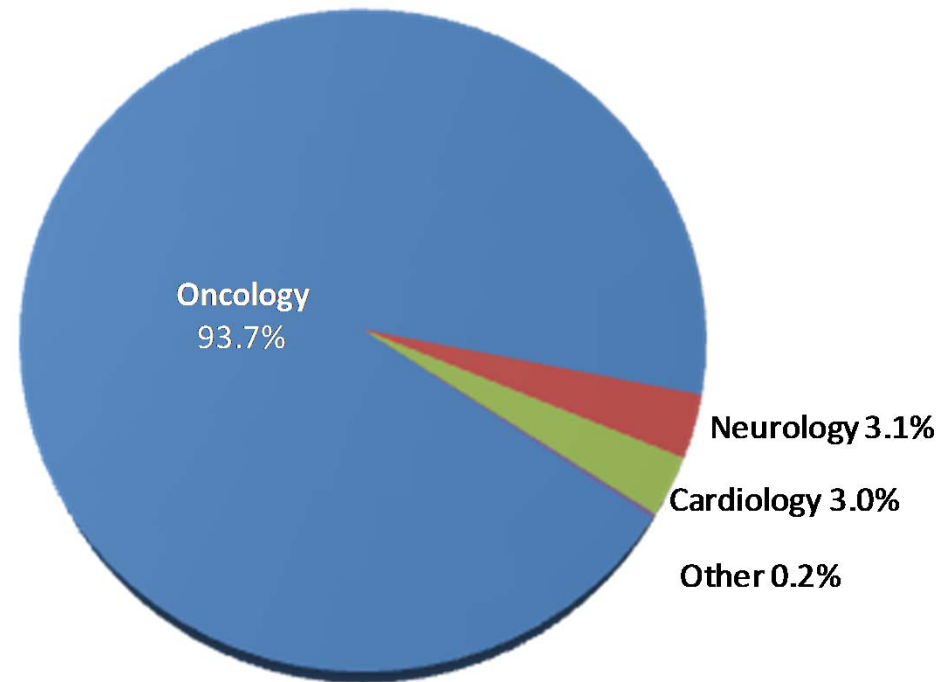


PET is the future of Nuclear Medicine.

Positron Emission Tomography allows physicians to differentiate between healthy and active diseased tissue.

PET is primarily used in the detection of cancer but rapid growth in other indications is also promising

From 1 July 2011 there has been an increase from 10 to 20 procedures covered under the Medicare Benefit Scheme



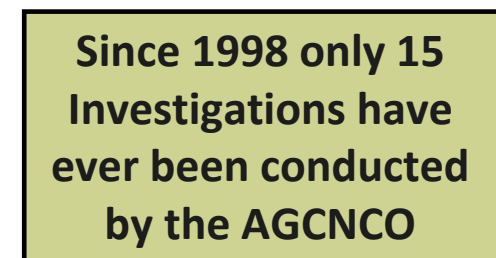


Competitive Neutrality Requires Government Enterprises to :

- Charge prices that fully reflect costs
- Pay, or include an allowance for, government taxes and charges such as goods and Services tax, payroll tax, stamp duties and local government rates
- Pay commercial rates of interest on borrowings
- Generate commercially acceptable profits
- Comply with the same regulations that apply to private businesses (such as the Trade Practices Act and planning and environmental laws).

Finding 2.3....

“Revenue and Expenditure forecasts over 10 and 15 years demonstrate that PETNET Australia’s commercial operations are unlikely to achieve a commercial rate of return on equity invested over either time period. This represents an ex ante breach of competitive neutrality policy”



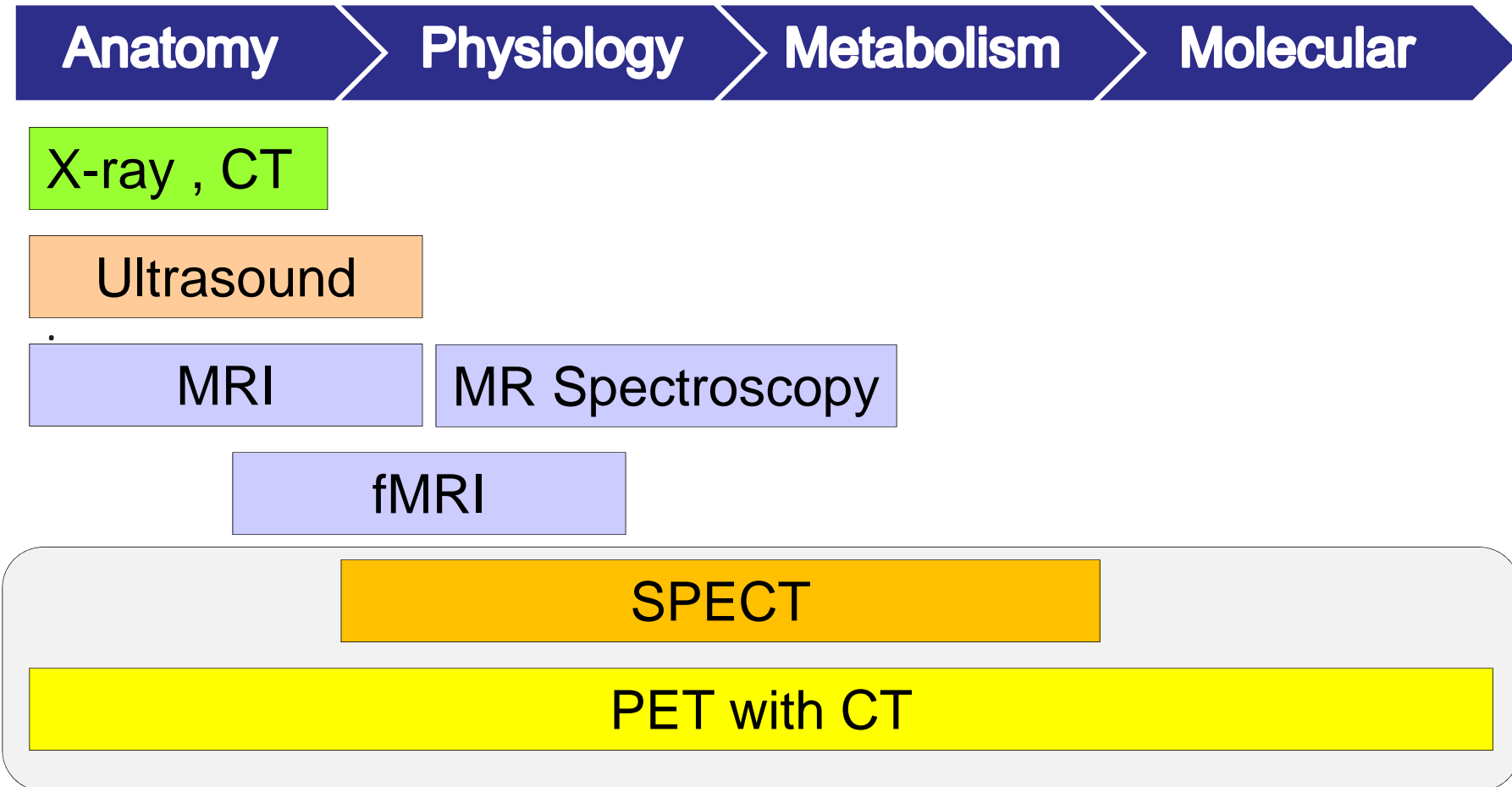
Diagnostic Imaging



- Joint venture with:
 - 50% Alfred Health Solutions
 - 30% Macquarie University
 - 20% CycloPet
- Comprehensive suite of imaging modalities
- State of the art research platform
- Inpatient and outpatient services
- Foundation for regional growth



Imaging Techniques



CT= Computed tomography; MRI= Magnetic Resonance Imaging; fMRI- Functional MRI;
SPECT- Single Photon Emission Computed Tomography; PET – Positron Emission Tomography

2011 Financials



Profit & Loss



✓ Foundation strong while investing for the future

- TG revenue consistent with prior year with PAS volumes 4% higher
- \$1,953k Loss from MUH Cyclotron activities
- \$583k Loss from Molecular Imaging JV

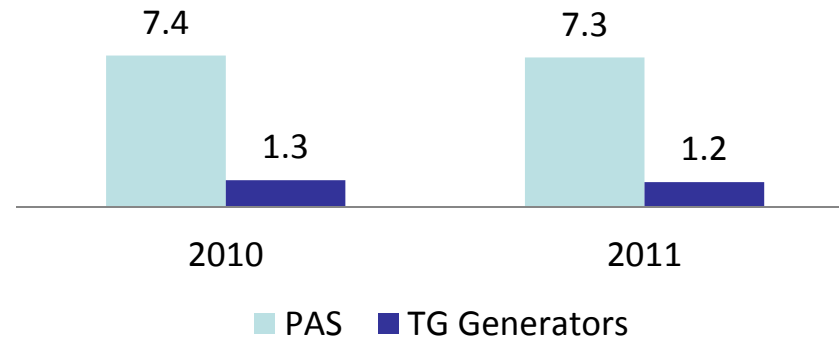
	2011	2010
Technegas Division		
Sales Revenue	\$9,465,455	\$9,442,763
Profit before tax and Finance Costs	\$1,699,883	\$1,845,650
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Molecular Imaging		
Sales Revenue	\$849,051	\$21,842
Loss Before Tax and Finance Costs (Operations)	-\$1,953,342	-\$527,571
Loss Before Tax and Finance Costs (Including MMI)	-\$2,536,615	-\$838,943
<hr/>		
Consolidated		
Sales Revenue	\$10,314,506	\$9,464,605
(Loss)/ Profit before tax and Finance Costs	-\$836,732	\$1,006,707

Technegas sales volumes continue to rise

Patient Administration Sets (PAS)

- PAS revenue flat from 2010
- PAS volumes up 4% from 2010

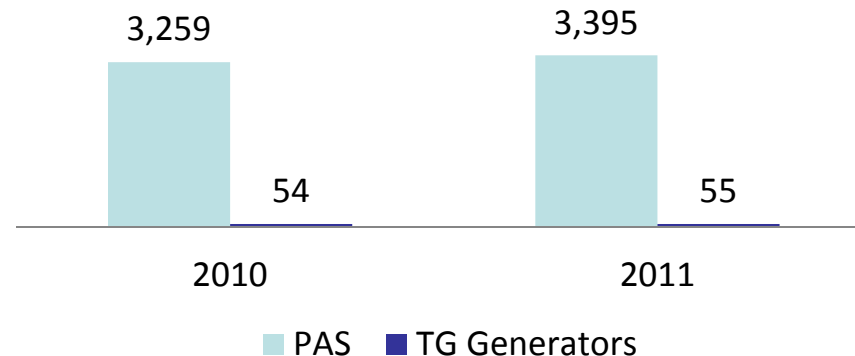
Technegas Revenue in \$m



Technegas Generators

- Both revenue and volumes consistent with prior year

Technegas Volumes in units



Molecular Imaging - MUH link provides advantage

Cyclopet

- First 12 months of operations recording revenues at \$849k
- Strong competition from public sector cyclotron facilities
- Lag in indication approval/funding compared to the rest of the world

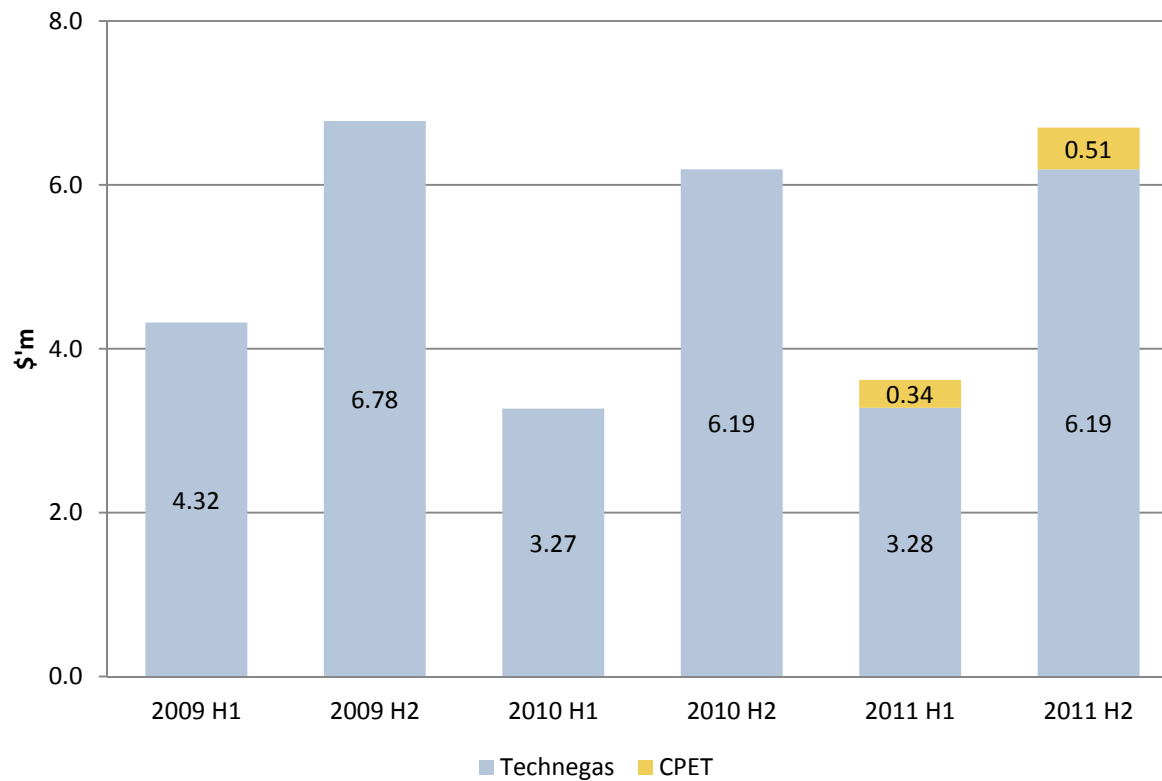
MMI Imaging Joint Venture

- Macquarie University Hospital start-up slower than expected
- Positive trending currently seen



Sales revenue Half year comparison

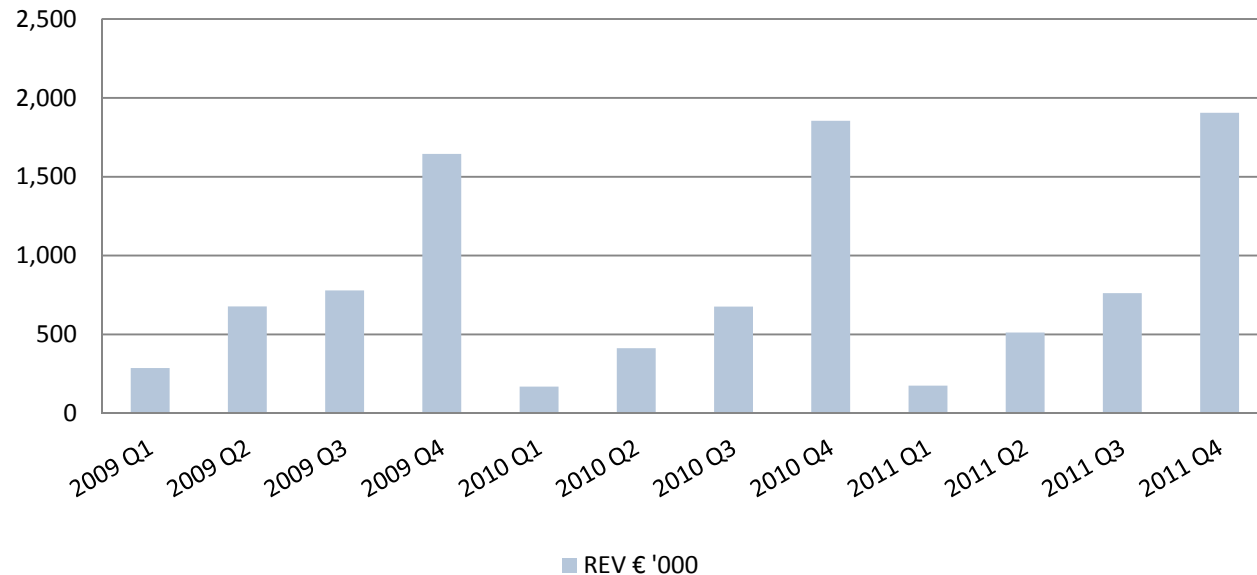
✓ Historical Trend – strong second half results



Foreign Exchange

✓ European Volumes Historically Seasonal

CYC European Sales €



- CYC has not historically taken a foreign exchange position
- Given current Eurozone instability, a short-term hedge may be considered appropriate to cover revenue generated in Q4

Balance Sheet



✓ Improved Net Asset Position

- Renewed \$5.1m bank facility
- Net Capital Raising of \$1.98m
- Strong focus on inventory reduction

	31-Dec-11	31-Dec-10
Current Assets	\$8,687,324	\$8,409,488
Non-current Assets	\$12,605,889	\$13,732,411
Total Assets	\$21,293,213	\$22,141,899
Current Liabilities	\$6,575,368	\$7,978,925
Non-current Liabilities	\$113,046	\$396,820
Total Liabilities	\$6,688,414	\$8,375,745
Net Assets	\$14,604,799	\$13,766,154
Inventory	\$2,487,081	\$3,248,867

Operating Cash flow



✓ Technegas cash flows offsetting start-up costs

- Operating Activities for 2011 @ positive inflow of \$564k
- Significant cash was expended in the start up phase of both the cyclotron facility and MMI
- \$239k spent on FDA activities

	31-Dec-11	31-Dec-10
Operating Activities	\$563,627	-\$90,960
Investing Activities	-\$753,230	-\$6,218,108
Financing Activities	\$697,984	\$3,369,503
Net Inc /(Dec) in Cash	\$508,381	-\$2,939,565
Opening Cash	\$1,541,644	\$4,612,205
Foreign Exchange	-\$6,211	-\$130,996
Closing Cash	\$2,043,814	\$1,541,644

Business Outlook

2012



Business Outlook

Technegas

New Drug Application (NDA)

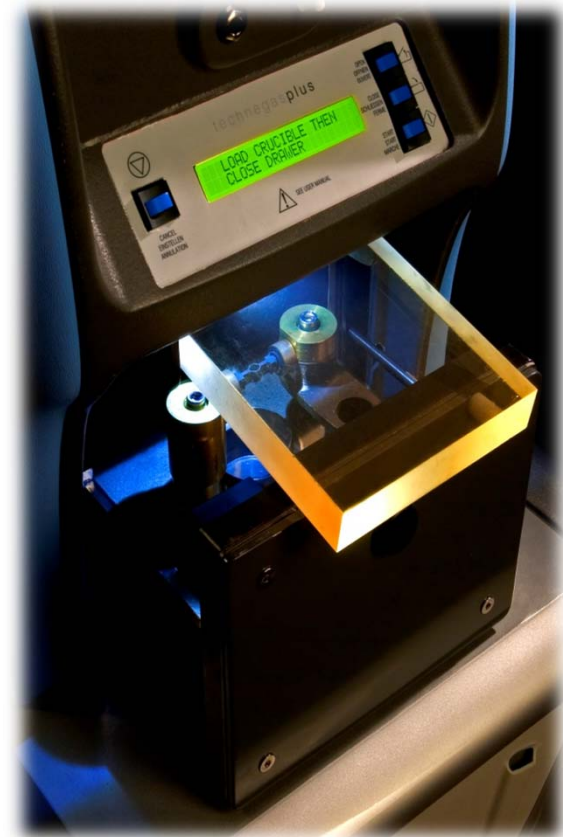
- Investigational New Drug Application submitted and approved Q4 2011
- Clinical trial commencement to start within weeks
- Expected trial completion mid 2014 with commercialisation in 2015

New Indications for Technegas

- Collaborations underway with researchers and clinicians
- COPD and Lung Cancer targeted for potential new indications in global initiatives

Leverage Clinical Developments

- Promote new European Guidelines
- Underscore high radiation doses received from CT Pulmonary Angiography



Business Opportunity

Technegas

cyclopharm

Nuclear Medicine



USA Market Potential

- USA is the largest single nuclear medicine market in the world
- Potential of up to 300,000 patient studies per annum
- Potential \$23m in cumulative sales and \$9.0m EBITDA in the first 2 years after receiving marketing authorisation
- Additional indications under development will drive further growth potential
- Clinical trial costs estimated at \$4m USD



Business Outlook

PET Radiopharmaceuticals

Macquarie University Hospital (MUH)

- Continue to expand our FDG customer base in NSW
- Focus on new product development
- Develop clinical research opportunities

Expansion Opportunities

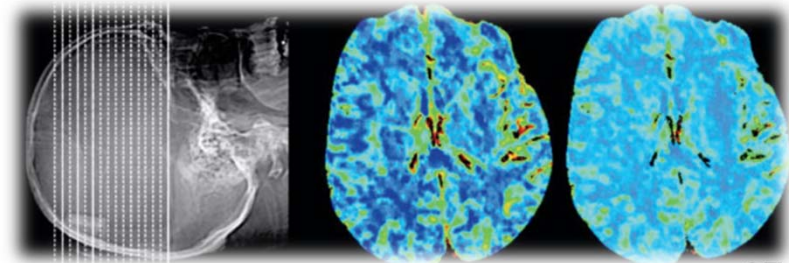
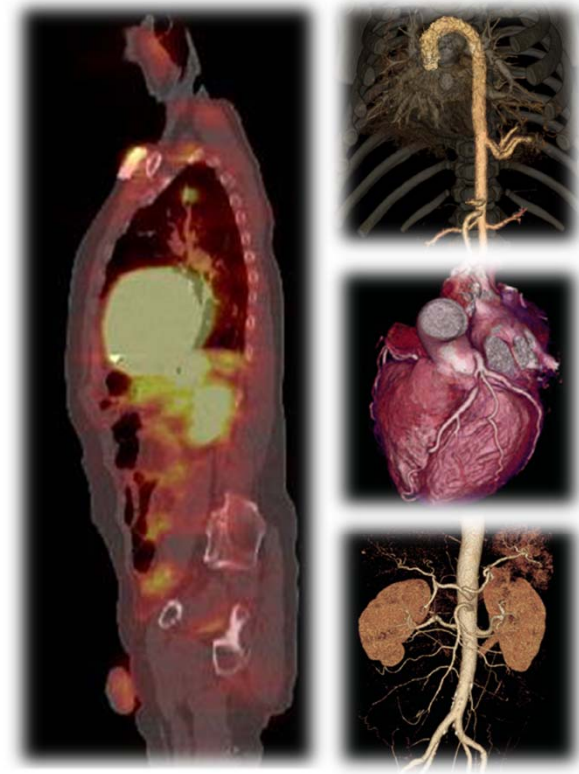
- Evaluate expansion opportunities within the Australasian region



Business Outlook

Diagnostic Imaging - MMI

- Macquarie University has taken 30% equity position in the venture
- No cash requirement budgeted in 2012
- Implement breast clinic services in collaboration with Macquarie University Hospital
- Expand Cancer Care Clinic visibility and service offering
- Leverage growth in PET



Conclusion



Cyclopharm business



Cyclopharm - helping save lives everyday!



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Cyclopharm Business Summary



Technegas

- Consistent performer
- Continued growth in existing markets
- USA Clinical Trial to commence in 2012
- USA Potential to triple the current company size

Radiopharmaceuticals

- Long term view remains optimistic
- Productivity Commission report received in April 2012
- Potential legal remedy
- Existing Growth opportunities in Queensland

Diagnostic Imaging

- New Shareholder providing additional funding
- Patient volumes from hospital on the rise
- No further cash budgeted from CYC
- PPP

- Continue to fund operational losses
- Lock in financial performance outlook based on Productivity Commission outcome
- Additional product development is underway that will provide additional revenue streams commencing 2013

Question Time & Business



Proxy Summary



Resolution	Business	For*	Against	Abstain	Proxy's discretion
1	Remuneration Report	148,345,840	118,633	-	25,000
2	Re-election of Mr Gould	148,459,302	-	5,171	25,000
3	Renewal of share buy-back capacity	148,450,589	13,884	-	25,000
4	Issue of shares under LTI Plan	148,321,243	143,230	-	25,000
5	Consolidation of Share Capital	148,389,814	74,659	-	25,000

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