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Cyclopharm Limited

FINANCIAL YEAR 2008

3 MARCH 2008

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All references to dollars are to Australian dollars.

# Highlights - Financial Year 2008



- ✓ Profits up 55% and EPS up 49%
- ✓ Net cash flow up \$3.0 million
- ✓ Equity and financing secured for growth
- ✓ FDA progressing
- ✓ New Technegas applications in the pipeline
- ✓ PET Nuclear pharmacy plan on track
- ✓ Government funding approvals for PET indications increasing

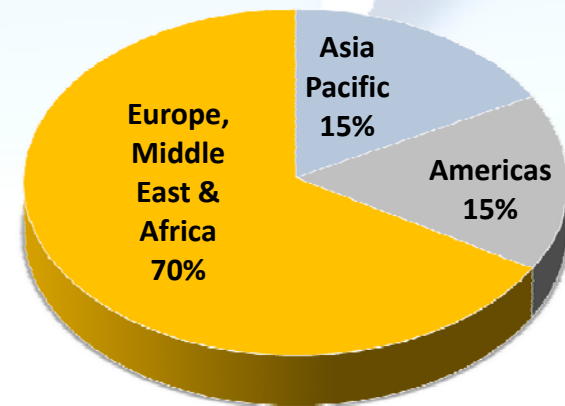


# Technegas

## Global footprint



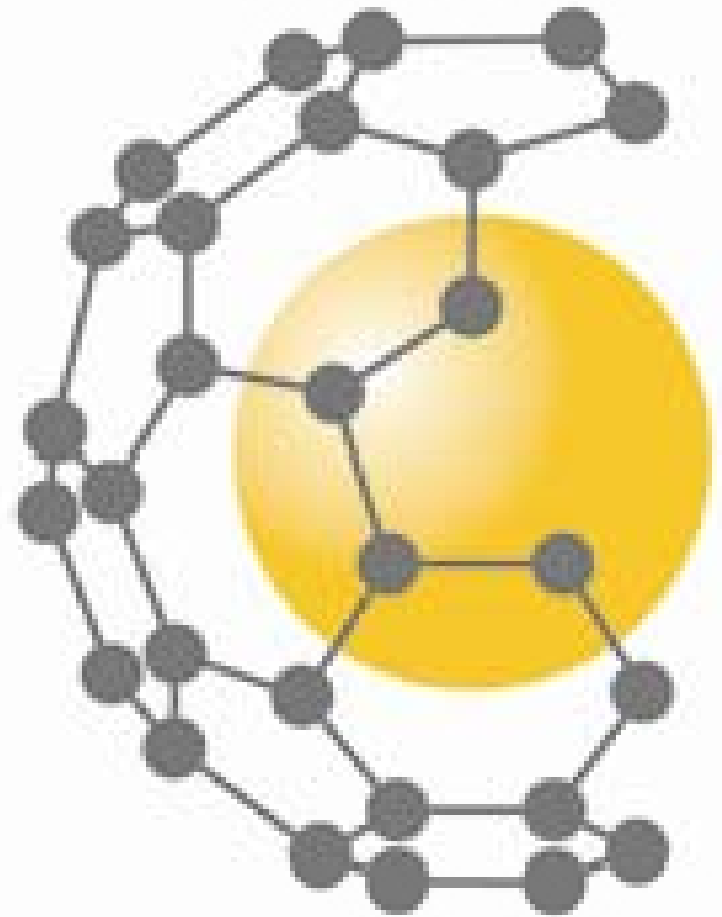
- Technegas is sold in 53 countries across the world
- Over 2,200,000 patient studies since 1988
- 167,000 patient studies conducted in 2008
- 1,120 Technegas generators sold globally
- Patents in 36 countries
- Expanding operations in North America pending approval of United States FDA



Revenue by Region

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# 2008 Financials



# Profit & Loss



✓ Net profit after tax increases 55%

- Technegas related sales revenue was down on the prior comparative period, gross profit margins and profitability improved due to a shift in sales mix and overall margin improvement.
- The Molecular Imaging division did not contribute revenue. Costs associated with the development of the PET Nuclear Pharmacies were capitalised.

	2008 \$	2007 \$
<b>CONTINUING OPERATIONS</b>		
<b>Total revenue</b>	<b>10,937,646</b>	<b>11,229,630</b>
Expenses	(8,787,211)	(9,616,284)
<b>Profit before tax and finance costs</b>	<b>2,150,435</b>	1,613,346
Finance costs	(253,961)	(223,607)
<b>Profit before income tax</b>	<b>1,896,474</b>	1,389,738
Income tax expense	(139,412)	(258,499)
<b>Net profit after tax</b>	<b>1,757,062</b>	1,131,239

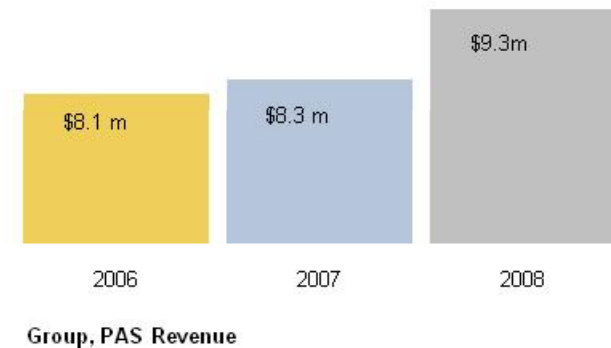
# Sales revenue - Segmental Review



✓ Consolidated profit margins improve

## Patient Administration Sets (PAS)

- Targeting margin improvement in 2008
- PAS revenue up 11.9% to \$9.3 m
- PAS volumes down 5%



## TechnegasPlus

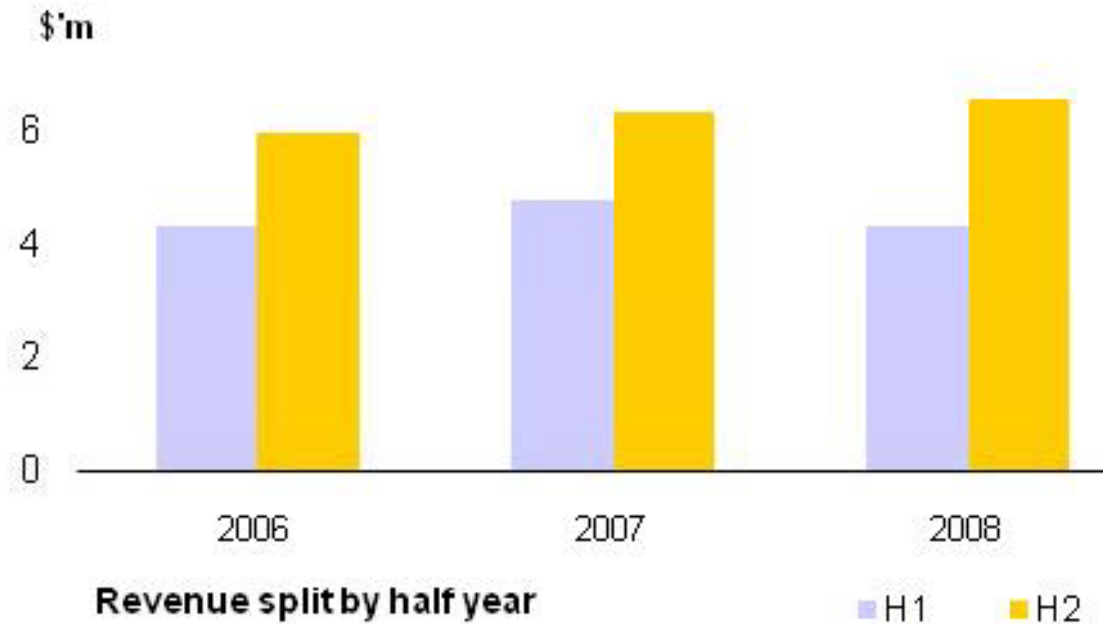
- 2007 introductory offer not extended in 2008
- Generator margin improved 20%
- Generator volumes down 61%



**Further growth expected from new approvals in South Korea, Japan and China.**

# Sales revenue Half year comparison

✓ Historical Trend – strong second half results continue





# Strong Balance Sheet



## ✓ Funding secured for strategic growth

- \$3.18m raised through fully subscribed rights issue (before issue costs of \$0.15m)
- Debt facility increased to \$6.45m (\$3.7m unused facilities) based on strengthened balance sheet and robust cash flows.
- At 31 December 2008 net cash position of 11% providing capacity to part fund initial rollout of Molecular Imaging facilities and new Technegas markets

<b>Balance Sheet Summary</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Total Current Assets	12,443,583	7,763,729
Total Non-current Assets	6,136,066	3,213,820
<b>Total Assets</b>	<b>18,579,649</b>	<b>10,977,549</b>
Total Current Liabilities	1,937,628	1,584,918
Total Non-current Liabilities	3,586,465	2,050,487
<b>Total Liabilities</b>	<b>5,524,093</b>	<b>3,635,405</b>
<b>Net Assets</b>	<b>13,055,556</b>	<b>7,342,144</b>

# Robust Operating Cash flow



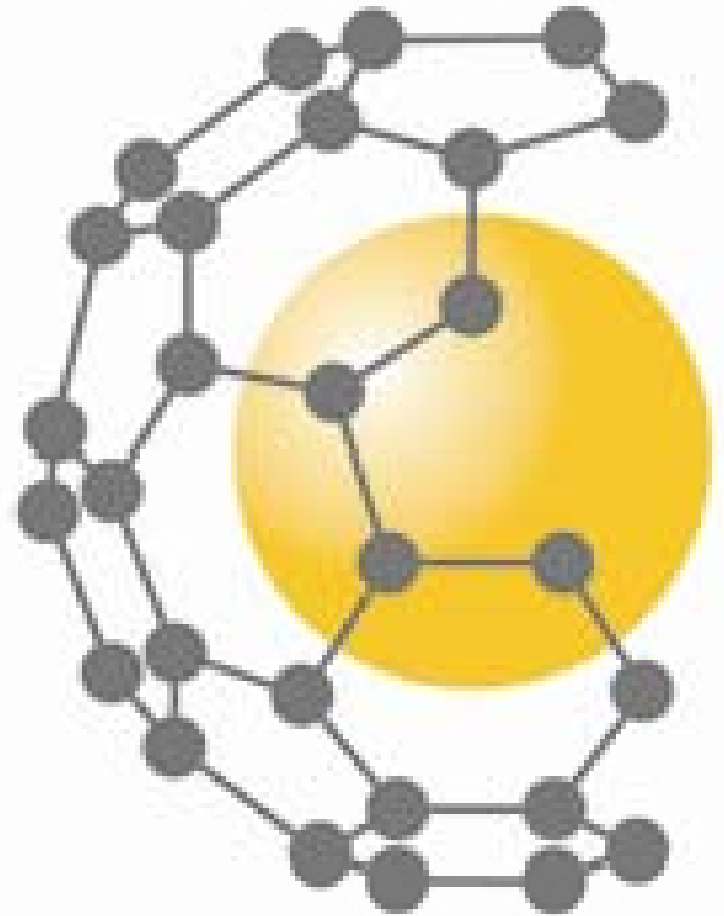
✓ Net cash flow increases \$3.0m over prior year

- The improvement in operating cash flows resulted from reduced expenses and favourable currency movements
- Higher inventory balance driven by stock build for sale into the USA
- Significant cash flows were expended on PET Nuclear Pharmacy at Macquarie University and increasing our presence in North America.
- Rights issue to shareholders raised \$3.18m before costs and \$1.2m drawn in bank borrowings

	2008 \$	2007 \$
Net cash flows from operating activities	1,486,028	146,099
Net cash flows used in investing activities	(2,826,186)	(1,311,690)
Net cash flows from financing activities	4,247,930	867,028
<b>Net increase in cash</b>	<b>2,907,772</b>	<b>(298,563)</b>
Foreign exchange translation	93,956	99,778
<b>Closing cash</b>	<b>4,206,271</b>	<b>1,204,543</b>

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# Business Objectives **2009**



# Business Overview 2009

## Technegas

### New Drug Application (NDA)

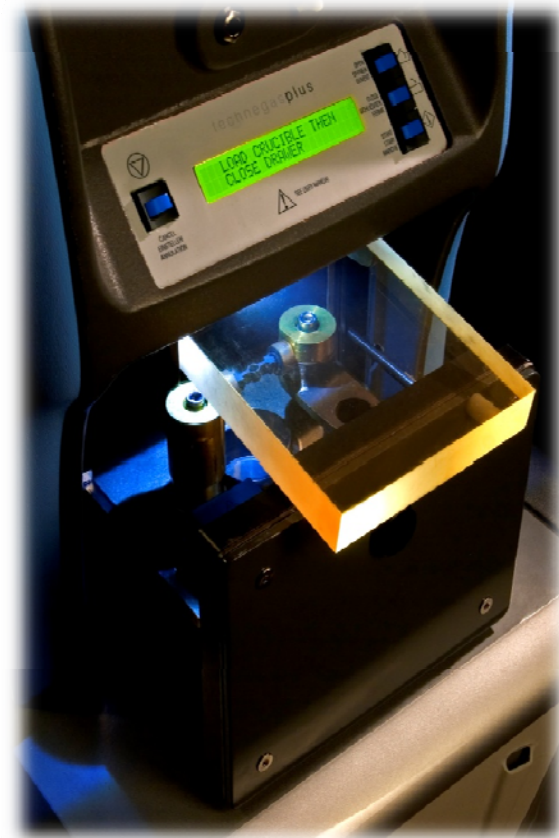
- NDA submitted December 2008
- Application withdrawn February 2009 based on initial FDA feedback
- Meeting with FDA targeted late March 2009 to agree path forward

### New Indications for Technegas

- Currently in discussions with researchers and clinicians
- COPD and Lung Cancer targeted for potential new indications

### Clinical Research

- Opportunity to participate in a major research initiative in the United States comparing CTPA against VQ SPECT



# Business Overview 2009

## Molecular Imaging

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### **Macquarie University Private Hospital (MUPH)**

- Project on track
- Sales forecasted to commence December 2009
- Capacity increasing through 2010

### **Kensington**

- Shell construction to commence mid-2009
- Commercial fit-out to scheduled to following regulatory approval of MUPH

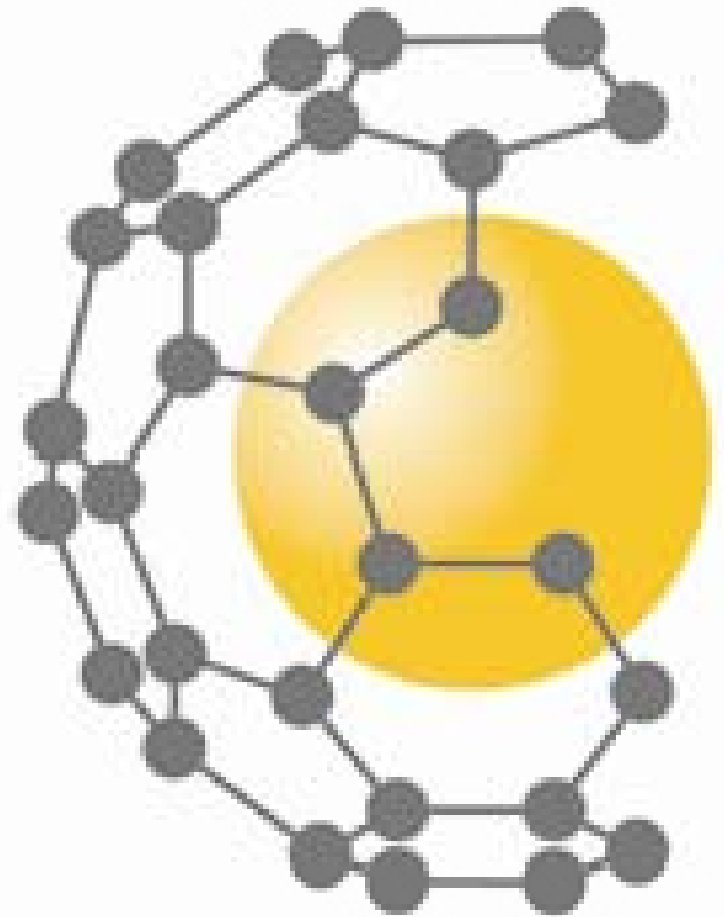
### **Government Funding**

- The Australian government doubles the approved indications for Positron Emission Tomography from three to six



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# Conclusion



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