



19 February 2015

The Manager  
Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Cyclopharm Ltd  
ABN 74 116 931 250  
Bldg 75 Business & Technology Park  
New Illawarra Road  
Lucas Heights NSW 2234 Australia  
POB 350 Menai Central NSW 2234  
T 61 2 9541 0411  
F 61 2 9543 0960  
[www.cyclopharm.com.au](http://www.cyclopharm.com.au)

## **CYCLOPHARM REPORTS RECORD PROFIT**

Nuclear medicine company, Cyclopharm Limited today reported record sales and net profit for 2014 on the strength of robust sales in its Technegas business and said it was now in a strong financial position to fund new growth opportunities and evaluate initiatives for returning greater value to shareholders.

Highlights included:

- Record sales of \$12.05 million
- Record Technegas division Operating EBITDA of \$1.94 million
- Record NPAT of \$4.07 million (vs 2013 loss of \$10.12m) which is largely comprised of NPAT from the Technegas division of \$2.38 million and net litigation proceeds of \$2.19 million
- Technegas division operating expenses down 5.3% vs 2013
- Cashflow from operations of \$4.47 million predominantly comprised of operating cash generated by the Technegas division of \$4.05 million
- NAB debt fully repaid with net cash of \$3.27 million recorded at year end.

Managing Director James McBrayer said the outstanding results marked an important turning point for the business and underscored the value and efficacy of Cyclopharm's patented technologies.

"This past year represents a fundamental change of fortunes for the company," Mr McBrayer said. "Roadblocks that impacted our profitability have been removed, our core operations are profitable and we have seen significant sales growth in key markets."

He said the progress made on the company's strategy during the year had created a platform for sustainable growth in future profits.

"Strong organic growth has generated cash, we are speeding up the process of bringing new patented technologies to market and we are focusing on high value markets," Mr McBrayer said.



Significant achievements in 2014 included:

- Final settlement of the Cyclopet proceedings resulting in payment of \$2.65 million to Cyclopharm
- Strong growth in international sales of Technegas with Canada now representing our no.1 market
- Start of Technegas COPD trials in China
- Progress in obtaining FDA approval for Technegas in the US market
- Secured IP protection for Cyclopharm's high value Ultralute technology

The Group's profit before tax of \$3.47 million was enhanced by the \$2.65 million settlement proceeds received from the successful mediation of the Cyclopet matter in late August 2014. A substantial portion of the settlement was applied to retire the group's outstanding bank loan of \$1.50 million.

Sales volumes and gross margins in the Technegas business grew strongly over the year, driven by growth in the Canadian market and higher margins in all markets. There was also progress in expanding the use of Technegas for additional diagnostic purposes as well as into new markets. The Company began trials in China for the use of Technegas in the diagnosis and treatment of chronic obstructive pulmonary disease (COPD). These trials are expected to conclude in the last quarter of 2015. Cyclopharm also took important steps in 2014 to help expedite FDA approval to sell Technegas in the United States. FDA clinical trials are expected to be completed in 2016. Patents were also secured for Cyclopharm's Ultralute technology for extending the life of certain radiopharmaceuticals. Sales for this innovative product are expected to begin in late 2015.

Mr McBrayer said Cyclopharm's financial position was now robust, with positive cashflows from operations bolstered by the injection of cash from the resolution of the Cyclopet matter.

"The Company is very pleased by the progress over the past year and we expect to continue to report outstanding financial results in the years ahead," Mr McBrayer said. "This will put us in a sound position to deliver growing financial rewards to shareholders."

**For more information, please contact:**

Mr James McBrayer  
Managing Director, CEO and Company Secretary  
Cyclopharm Limited  
T: +61 (0) 418 967 073