



Cyclopharm Limited

INVESTOR PRESENTATION

17 September 2008

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All references to dollars are to Australian dollars.

Agenda



Introduction to Cyclopharm

Business Overview

Financial Update

Outlook

Introduction to Cyclopharm



Mission & Values



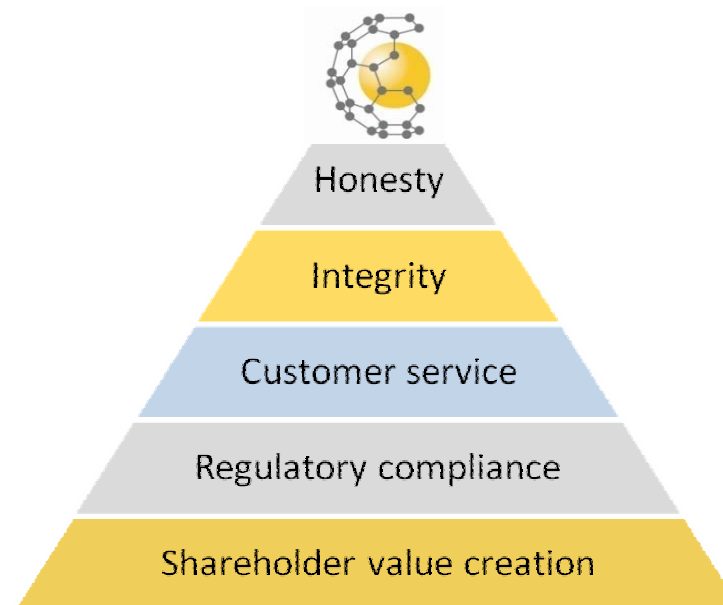
Mission

Cyclopharm's mission is to enable nuclear medicine and other 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 medical community.

Values

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



Board of Directors



Vanda Gould

Non executive Chairman

- M. Comm, FCA, FCPA
- Chairman CVC Limited, and various public and private Directorships
- 30 years in accounting, finance and investment

James McBrayer

Managing Director

- B.S. Pharm, GDM, FAICD
- Joined June 2008
- Nuclear Pharmacist since 1990
- 18 years in operations and executive management

John Sharman

Non executive Director

- B. Ec, M.A. Fin, CA
- Director of Vita Life Sciences Ltd
- 15 years managerial and financial experience

David Heaney

Non executive Director

- Experienced Director in both public and private organisations
- 38 years in senior banking roles within the NAB in Australia and overseas
- Former Head of Corporate Banking within the NAB

Henry Townsing

Non executive Director

- Dip Val
- Director of Vita Life Sciences Ltd
- 25 years in finance and investment

William Richardson

Company Secretary

- B.Comm, CA
- Joined in 2006
- Company Secretary experience in both public and private companies

Management



James McBrayer
Managing Director

- B.S. Pharm, GDM. FAICD
- Nuclear Pharmacist since 1990
- 18 years in operations and executive management

Gary Somerville
Quality and Regulatory Manager

- Cert. Electronics
- 29 years in production, engineering / electronics, quality and regulatory management

Graham Phillips
Finance Manager

- B.Bus
- 20 years of commercial finance and accounting experience

Charles Buttegieg
National sales & marketing manager, Aus & NZ

- MSc, B.Sc
- Joined in 2004
- 20 years experience in sales and marketing of nuclear medicine products

Prof Nabil Morcos
Chief Operating Officer

- PhD Nuclear Chemistry / Radio Chemistry
- 10 years as Head of Commercial Radiopharmaceuticals for BMS and Mallinckrodt
- Head of Radiopharmaceutical Research ANSTO

Bjorn Altmann
European sales & marketing manager

- Joined in 2005
- 10 years experience in sales and marketing of nuclear medicine products

Lynn McLaughlin
General Manager for Canada

- Joined in 2003
- 23 years experience in clinical and commercial nuclear medicine

Cyclopharm business

Two main business units



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



Cyclopharm – improving patient outcomes everyday!

Our products & services are delivered to **Nuclear Medicine** departments assisting clinicians in identifying life threatening conditions.

Molecular Imaging

Establishment of PET central pharmacies to produce PET radiopharmaceuticals for Australia



Nuclear Medicine Overview



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

Molecular Imaging is a specialty field within the practice of Nuclear Medicine

Key characteristics of Nuclear Medicine:

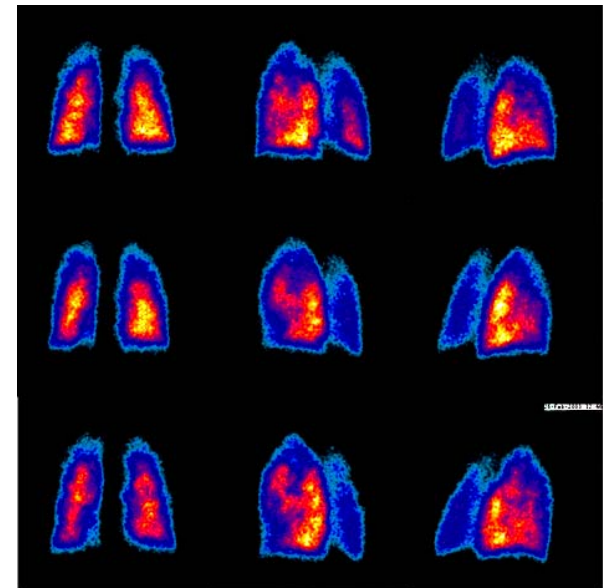
Non-invasive (provides a view of the “inside” without surgery)

Safe, painless, cost effective

Provides information on major organs of the body

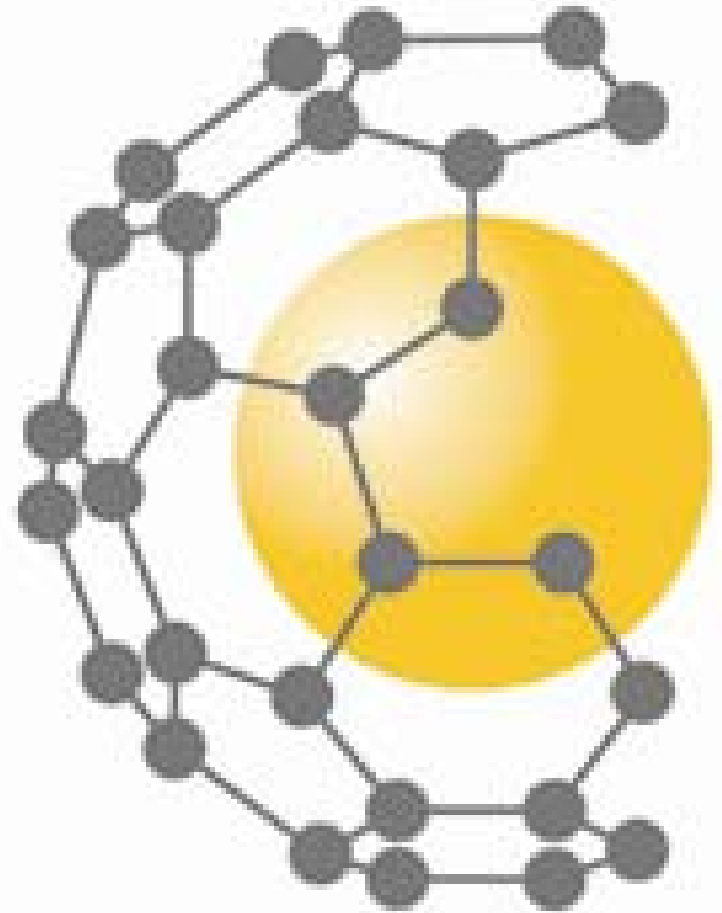
Approximately 100 types of procedure available

Radiation dose comparable to a diagnostic x-ray



Business Overview

TECHNEGAS



Technegas



There are three components required for a Technegas procedure:

1. Technegas Generator
2. A single use Patient Administration Set (PAS)
3. A single use patient crucible

Technegas Generators, PAS and patient crucibles are manufactured at Cyclopharm's Australian facility located at Lucas Heights, NSW

Technegas for inhalation is manufactured onsite within the Nuclear medicine department

Components of Technegas

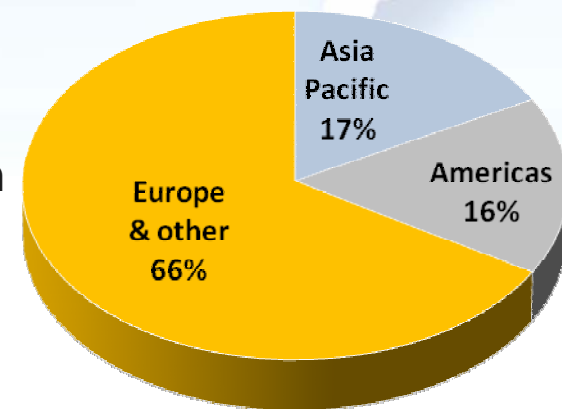


Technegas

Global footprint



- Technegas is sold in 53 countries across the world
- Over 2,000,000 patient studies since 1988
 - 170,000 patient studies conducted in 2007
- 1,100 Technegas generators sold globally
- Patents in 36 countries
- Application to the US Food and Drug Administration will be filed 4th Quarter 2008



Revenue by Region

Technegas Market

Current and Potential



Pulmonary Embolism (PE)

- There are **42,000¹** estimated cases of Pulmonary embolism each year in Australia.
- **35,000** Technegas procedures were completed in Australia last year covering both confirmed and suspected PE.
- Based on similar population demographics, PE occurs in the USA at the same rate of population as in Australia. In 2005 there were **600,000²** cases of PE in the USA.
- **5%** market penetration in the USA will match that of Australia. **28%** penetration in the USA alone will double the current company size.

Chronic Obstructive Pulmonary Disease (COPD)

- There is an estimated **620,000¹** patients suffering from COPD in Australia
- There is an estimated **15,000,000²** patients suffering from COPD in the USA
- As part of our global expansion strategy, Cyclopharm will initiate an Investigational New Drug (**IND**) study targeting COPD in the 4th Quarter 2008

1. Rees M. Australia Family Physician; Pulmonary Embolism, Assessment and management
2. Wilson D et al. American Journal of Respiratory Critical Care Medicine 2002

Business Initiatives

New Drug Application (NDA)



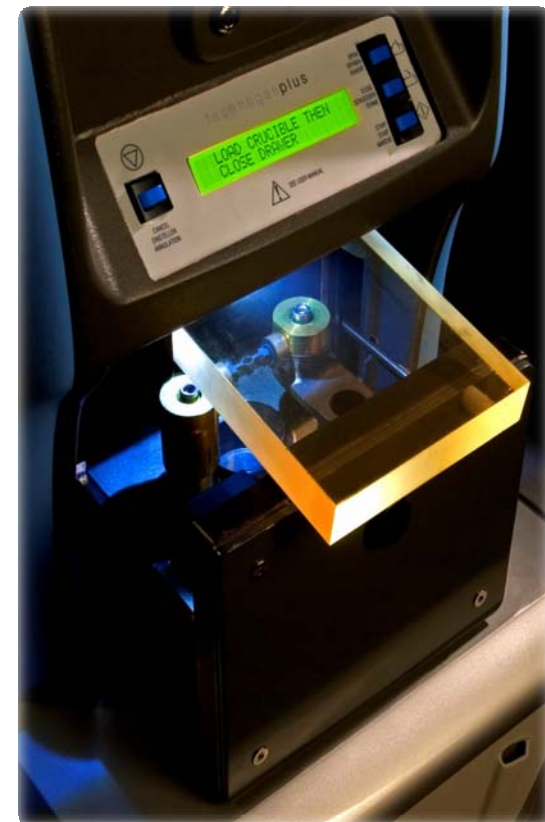
Phase III clinical trials finalised in October 2007

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

Application is 85% complete

Submission of NDA scheduled for 4th Quarter 2008

Approval expected in late 2009



Business Overview
MOLECULAR IMAGING



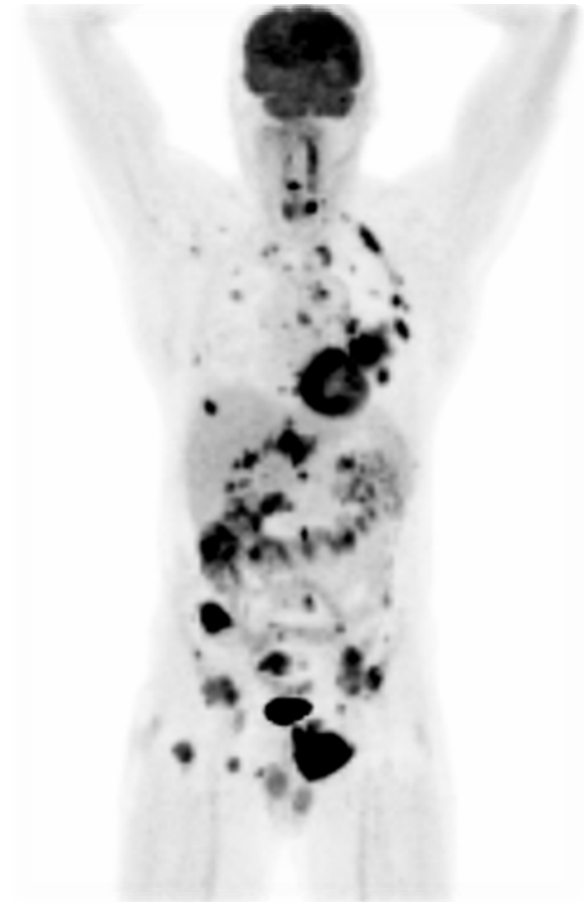
Molecular Imaging - Positron Emission Tomography (PET)



PET is the future of Nuclear Medicine.

Positron Emission Tomography allows physicians to differentiate between healthy and diseased tissue and therein:

- **Detect** cancer and other disease states more accurately
- Detect cancer earlier than conventional methods
- Identify the **stage** of the disease
- Improved therapy prescription
- Better **monitoring** of the therapy effectiveness
- **Ultimately provides better patient care**

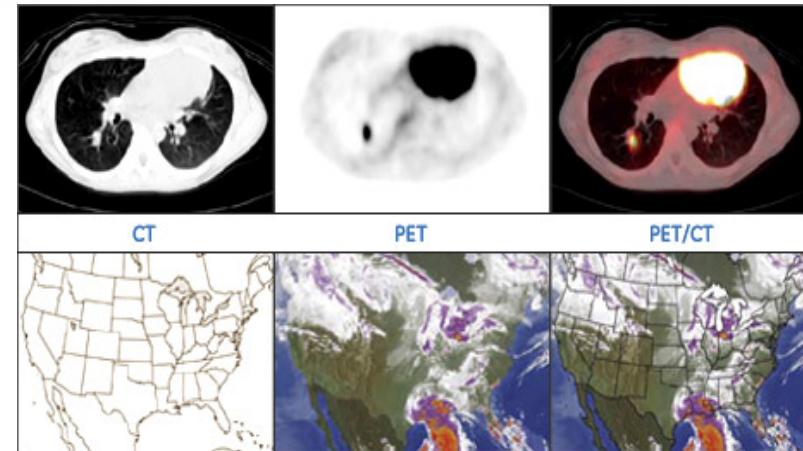


Molecular Imaging Industry Developments



Improved Technology

PET is the future of Nuclear medicine. As a result, equipment manufacturers are investing heavily in the advancement and development of improved and integrated technologies.



Additional Government Funding

Recent government approval for three additional procedures, more than doubling the potential patient studies.

More indications to come – over 15 indications utilised in established markets globally

Approved Australian PET Procedures

- Brain - epilepsy
- Lung – non-small-cell lung cancer
– solitary pulmonary nodules
- Colorectal cancer
- Melanoma cancer
- Ovarian cancer

Molecular Imaging

Australian Cancer Statistics



Cancer has a major impact on the Australian community, in terms of morbidity, mortality and costs. In 2004, more than **488,000 new cases** of cancer were diagnosed in Australia. About 390,000 of these cancers were of less threatening types of non-melanocytic skin cancers (NMSC).

Based on current incidence, it is estimated that **1 in 3 males** and **1 in 4 females** in Australia will be directly affected by cancer (excluding NMSC) **before the age of 75**.

More than one-third (**34%**) of **all persons** who died in 2005 had a malignant cancer.

Cancer was **the largest contributor (19%) to the total burden** of disease and injury in Australia in 2003, in terms of disability-adjusted life years (Begg et al. 2007).

In monetary terms, the **direct cost of cancer was estimated at \$2.8 billion** in 2000-01.

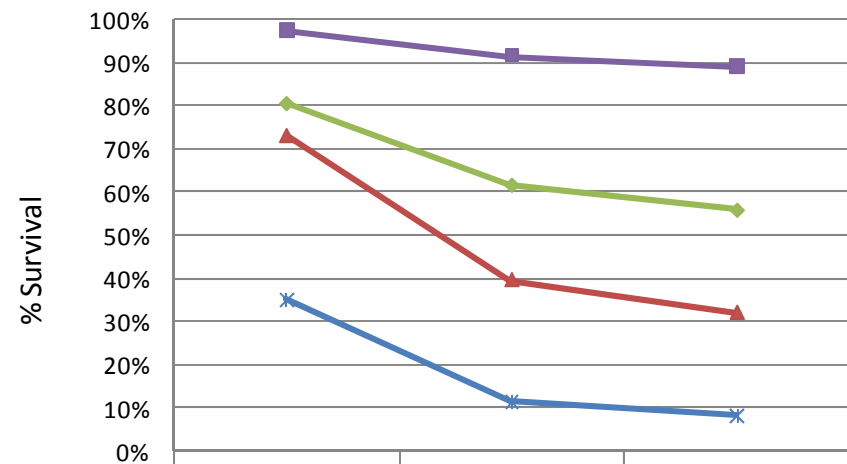
Molecular Imaging Market Potential

Lung, Ovarian, Colorectal and Melanoma accounted for 10.2% of all deaths in 2005 and represents 32.9% of all diagnosed cancers.

Initial indications targeted lung cancer due to relative low survival rates (high mortality)

There will be a direct correlation between increased survival rates and the need for repeat studies

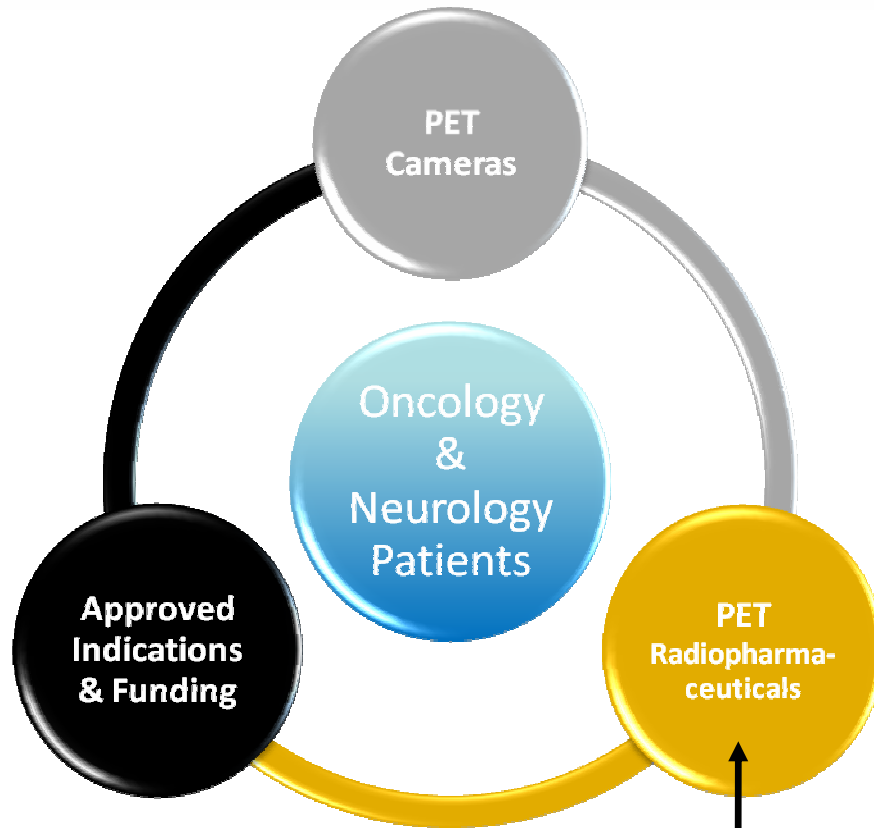
Relative Survival Rates 1998 - 2004



	1 Year	5 Years	10 Years
* Lung Cancer	35%	12%	8%
▲ Ovarian Cancer	73%	40%	32%
◆ Colorectal Cancer	81%	62%	56%
■ Melanoma	98%	92%	89%

Relative survival is the ratio between what actually happens to a group of people with cancer and what would normally have happened to them in the absence of cancer. The above graph depicts the likelihood of survival for patients in years 1, 5 and 10 from the time of diagnosis.

Market Drivers – Positron Emission Tomography



Cyclopharm will participate in the Molecular Imaging market through the manufacture and supply of PET Radiopharmaceuticals

Market Drivers for PET Cameras

- Approved indications & PET radiopharmaceutical supply
- PET/CT technological improvements
- Clinical expertise availability
- Capital funding for PET cameras – State & Private

Drivers for supply of PET Radiopharmaceuticals

- Approved indications and PET camera availability
- GMP expertise
- Distribution and logistics capabilities
- Capital funding for Cyclotron facility

Drivers for Indication & Funding approvals

- Patient populations & mortality rates
- Safety of procedure
- Accuracy of diagnosis
- Improved patient management
- Reduction in invasive procedures
- Improved patient outcomes
- Surgery avoidance
- Improved economic outcomes

Cyclotrons

PET Radiopharmaceutical Production



- Cyclotrons are a type of subatomic particle accelerator
- Distribution expertise critical for success - products manufactured are ultra-short life, high-energy isotopes

Carbon-11, with a half-life of 20 min

Nitrogen-13, with a half-life of 10 min

Oxygen-15, with a half-life of 2 min

Fluorine-18, with a half-life of 110 min

- ^{18}F - Fluorodeoxyglucose (FDG) is the primary radioisotope used in PET imaging
- Products must be manufactured in a TGA compliant facility adhering to Good Manufacturing Practices (GMP)



PET Nuclear Pharmacy Projects Underway



Melbourne - Lloyd Street, Kensington

- ✓ Land purchased
- Design under development
- Construction to commence early 2009

Lloyd Street, Kensington is a proposed group asset



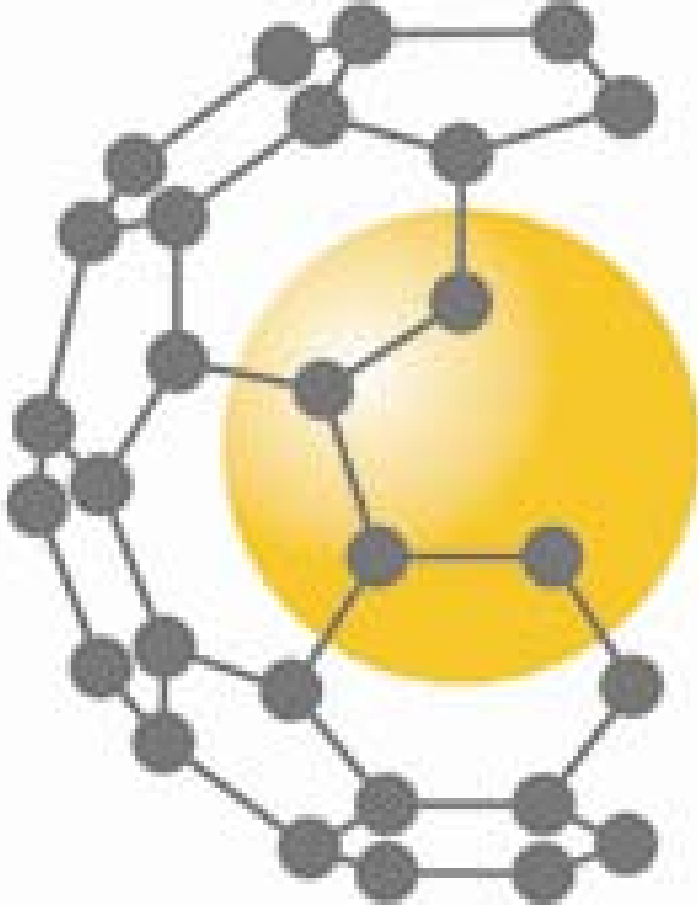
Sydney – Macquarie University Private Hospital

- ✓ Design phase completed
- ✓ Bunker construction completed
- ✓ Cyclotron selected
- Fit-out commencing Q1 2009
- Facility Certification scheduled Q3 2009

Macquarie University Private Hospital is not a group asset

The critical stages required before commercialisation is achieved at a PET Nuclear Pharmacy are depicted above.

Financials



Financial Review



- 1st half 2008 highlights
- Profit & loss statement
- Sales revenue analysis
- Balance sheet
- Operating cash flow
- Financial model



1st Half 2008 Highlights



- ✓ Strong underlying performance of the Technegas division
- ✓ Strong balance sheet
- ✓ Strong trading cashflow
- ✓ Continued geographic expansion in Europe, Asia and South America
- ✓ Technegas submission to the US FDA is 85% complete. Submission planned for second half of 2008
- ✓ PET Nuclear Pharmacy development plans progressing well.
- ✓ The Australian government doubled the approved indications for PET.



Profit & Loss



Profit before tax and finance costs increased to \$482,285 (2007: 149,367).

Whilst Technegas related sales revenue was down on the prior comparative period, gross profit margins and profitability improved due to a shift in sales mix (ie more PAS than Generators).

The Molecular Imaging division did not contribute revenue. Costs associated with the development of the PET Nuclear Pharmacies were capitalised.

For the half year ended	30 June 2008	30 June 2007
	\$	\$
Technegas Division		
Sales Revenue	4,351,514	4,790,891
Profit before tax and finance costs	594,999	603,982
Molecular Imaging		
Sales Revenue	-	-
Profit before income tax	(116,783)	(219,000)
Corporate		
Sales Revenue	-	-
Profit before income tax	4,069	(235,615)
Consolidated		
Sales Revenue	4,351,514	4,790,891
Profit before income tax	482,285	149,367

Sales revenue

Technegas Divisional Review 1st Half 2008

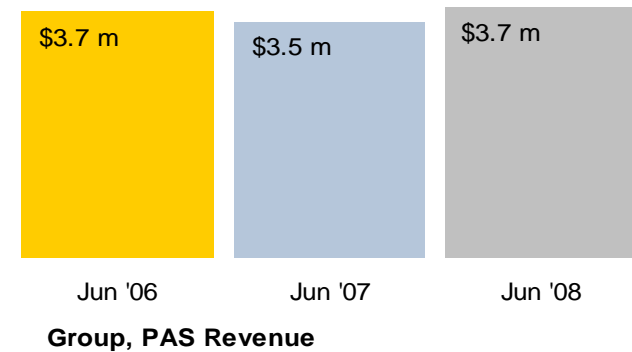


Revenue from TechnegasPlus generators and PAS decreased 11%

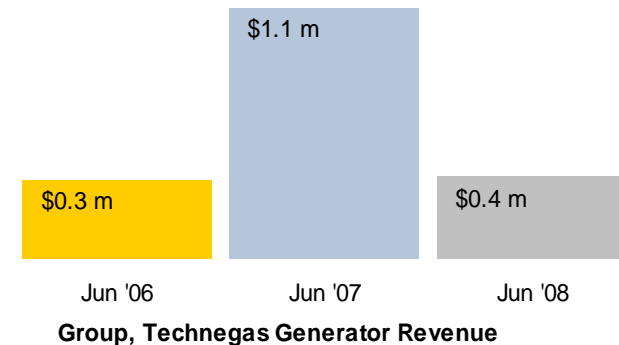
18 TechnegasPlus generator sales (2007: 48) and 67,000 PAS unit sales (2007: 72,850) recorded in the first half.

Our gross margin for TechnegasPlus generators and PAS improved by 9% due to a shift in the sales mix (ie more PAS than Generators).

Regulatory approval received in Brazil. Further growth expected in Eastern Europe, Russia and Latin America.



Group, PAS Revenue



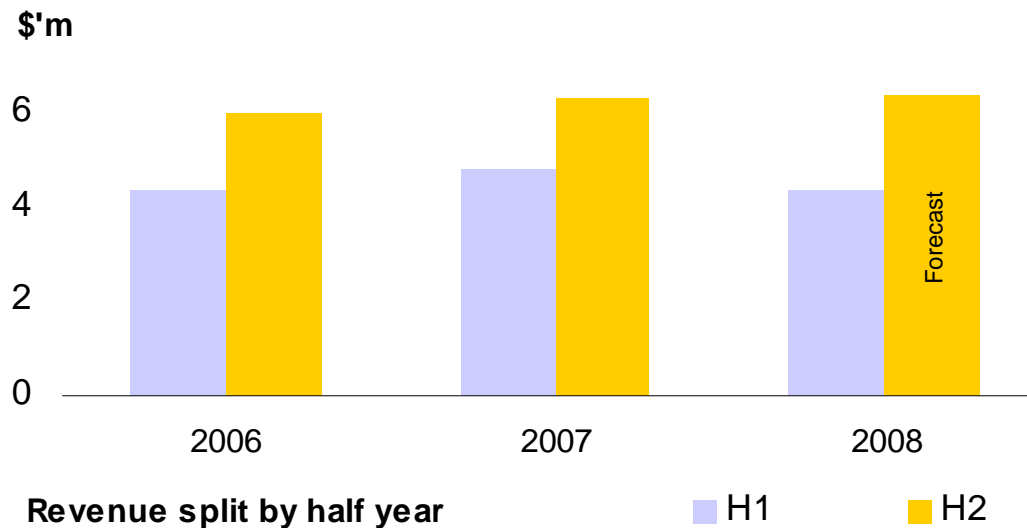
Group, Technegas Generator Revenue

Sales revenue

Total sales



Traditionally the second half of the calendar year generates a higher proportion of total sales than the first half. We forecast this trend to continue in 2008.

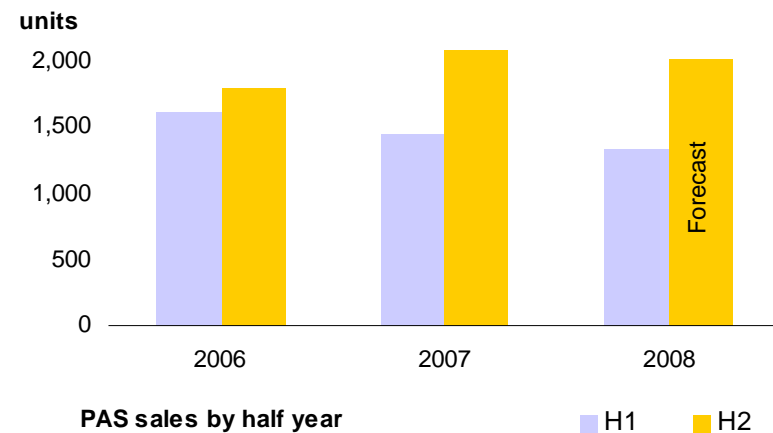
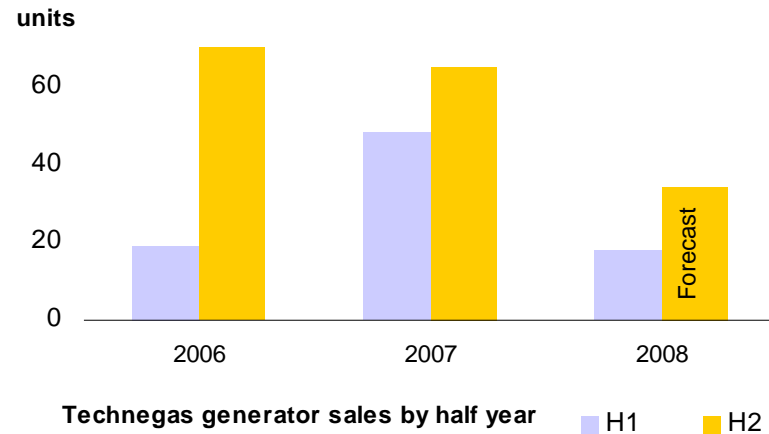


Sales units

By product line



Sales in the 2nd Half 2006 and 2007 benefited from the release of the new TechnegasPlus generator (first major upgrade since 1986) and special introductory pricing not extended in 2008.



Balance Sheet



Strong balance sheet

Net gearing* of 17% with the capacity to fund initial rollout of Molecular Imaging facilities and new Technegas markets

Balance Sheet Summary	30 June 2008	31 December 2007
	\$	\$
Total Current Assets	8,448,719	7,763,729
Total Non-current Assets	4,160,565	3,213,820
Total Assets	12,609,284	10,977,549
Total Current Liabilities	1,780,009	1,584,918
Total Non-current Liabilities	3,411,219	2,050,487
Total Liabilities	5,191,228	3,635,405
Net Assets	7,418,056	7,342,144

*Net Gearing: Net debt (Borrowings less cash) / Equity

Operating Cashflow



Strong trading cashflow

The Technegas business underpins the success of the business generating strong operating cashflow.

	30 June 2008	30 June 2007
	\$	\$
Operating activities		
Receipts from customers	5,532,280	5,748,483
Payments to suppliers and employees	(3,879,117)	(5,260,962)
Other	(116,316)	(248,944)
Net cash flows from operating activities	1,536,847	238,577

Financial Model

Key Assumptions for Growth

Molecular Imaging

- Sales forecasted to commence December 2009
- Capacity increasing through 2010

Capital expenditure \$9.3m

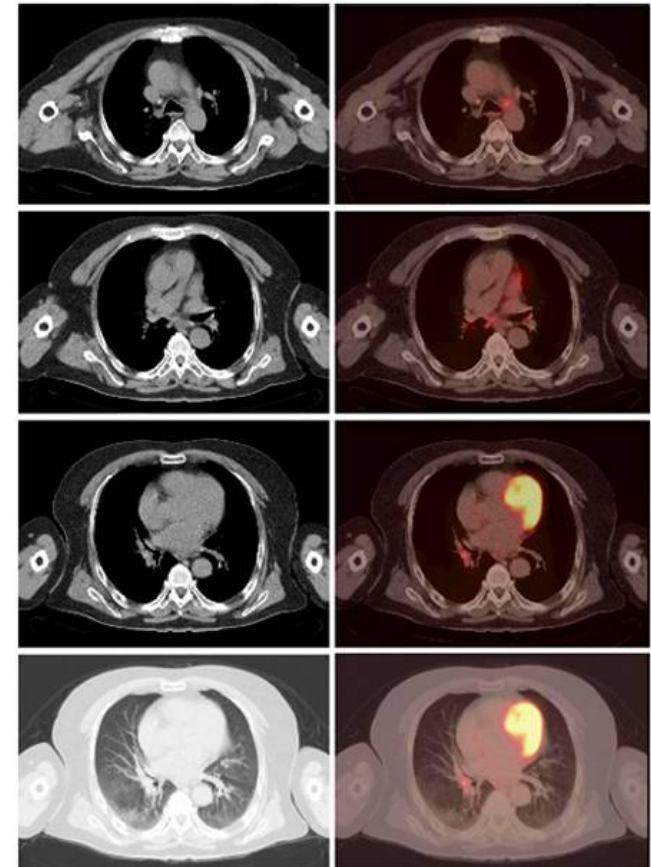
- Macquarie \$7.5m
- Kensington \$1.8m

Financing for molecular imaging

- Capital raising \$4.2m (net of offer costs)
- Borrowings of \$5.1m (includes drawdown \$1.2m)

Technegas

- FDA approval expected in 2009
- Sales in 2010: 200 generators and 400 PAS
- Organic growth of 4-5% from Technegas and PAS
- Service revenue growth of 3%



Financial Model

Forecast Profitability



We expect the benefits of a fully operational PET Nuclear Pharmacy at Macquarie University Private Hospital and sales in the United States to be realised in 2010.

Forecast		Full Year Ending		Half Year Ending
		December 2008	December 2009	June 2010
Sales Revenue	\$'000	10,716	12,156	12,023
EBIT	\$'000	2,008	2,400	3,444
NPAT*	\$'000	1,455	1,642	2,468

*Assumes equity is expended before debt and interest up to commercialisation is capitalised

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Key Metrics



Offer*

Rights Issue to Shareholders

Offer Price	cents	\$0.15
Current shares on issue	number	139,212,616
New shares being offered	number	30,000,000
Shares on issue after completion of the Offer	number	169,212,616
Market capitalisation at the Offer Price after completion of the Offer	million	\$25.4 million

Forecast*

		Full Year Ending		Half Year Ending
		December 2008	December 2009	June 2010
EBIT	thousands	\$2,008	\$2,400	\$3,444
NPAT	thousands	\$1,455	\$1,642	\$2,468
Forecast earnings per Share - pre money	cents	\$0.01	N/A	
Forecast earnings per Share - post money	cents	\$0.01	\$0.01	
Price to earnings multiple - pre money	times	14.3x	N/A	
Price to earnings multiple - post money	times	17.4x	15.5x	

*Assumes fully diluted for \$4.28m capital raising (net of offer costs)

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Financial Model



Timing of capital expenditure

PET Nuclear Pharmacy	Jun-08	Dec-08	Jun-09	Dec-09	Total
Macquarie University Private Hospital, North Ryde	\$0.02m	\$1.36m	\$0.29m	\$5.85m	\$7.52m
Lloyd Street, Kensington	\$0.18m	\$0.00m	\$1.68m	\$0.00m	\$1.86m
Total	\$0.19m	\$1.36m	\$1.97m	\$5.85m	\$9.38m

*Includes licensing and commissioning costs of \$500,000

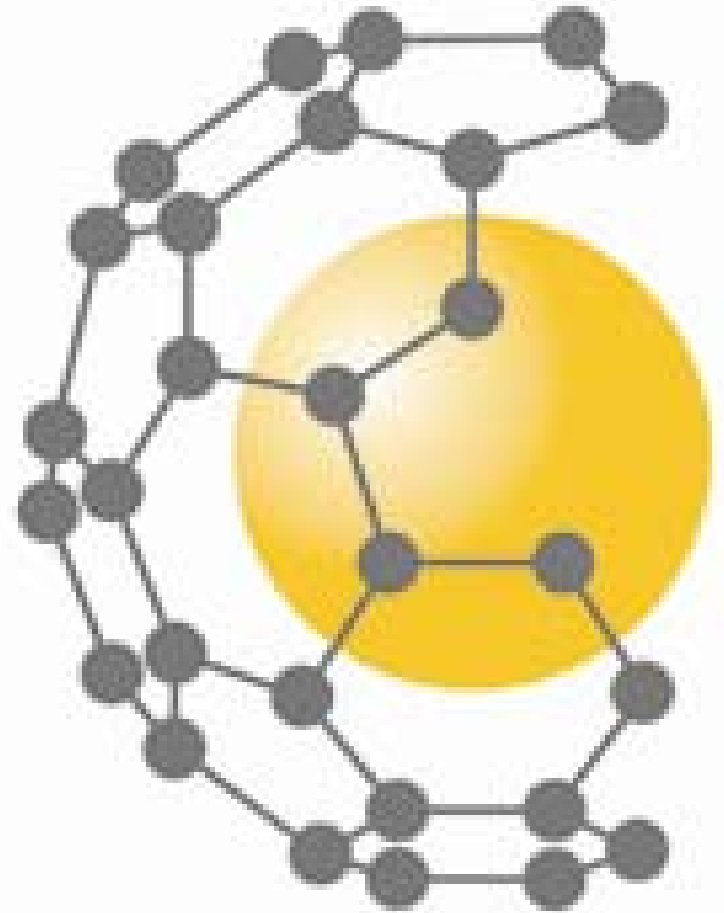
Timing of financing

PET Nuclear Pharmacy	Jun-08	Dec-08*	Jun-09	Dec-09	Total
Equity (net of offer costs)	\$0.02m	\$3.00m	-	\$1.26m	\$4.28m
Debt	\$0.18m	\$1.36m	-	\$3.57m	\$5.10m
Total	\$0.19m	\$4.36m	\$0.00m	\$4.83m	\$9.38m

*Includes \$1,221,750 drawdown in April 2008

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Outlook

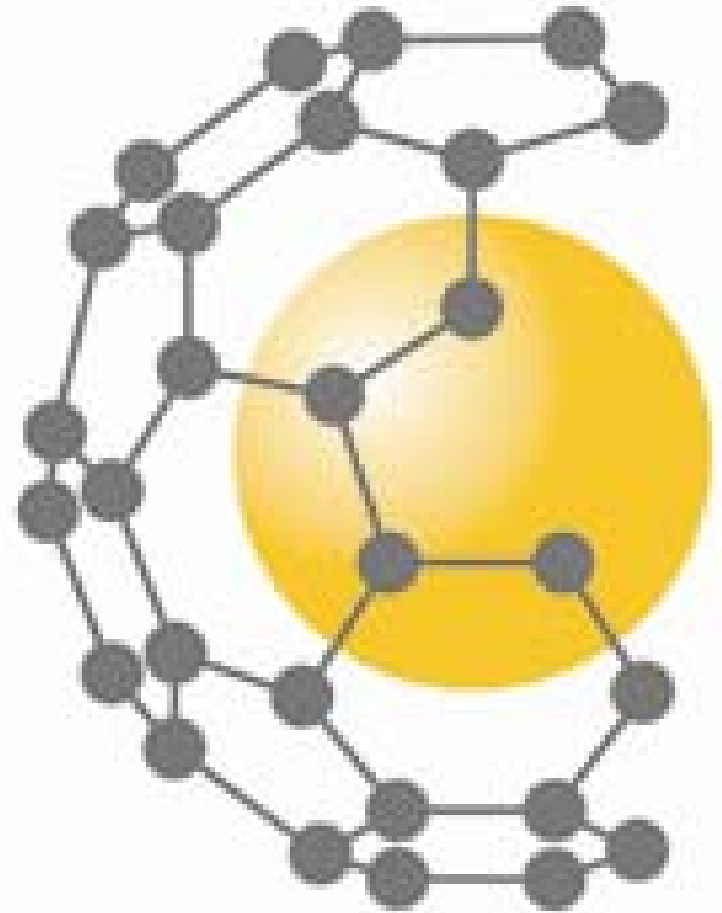


Outlook



- Continue to leverage our strong business foundation based on proven and well established technology
- Technegas has exceptional growth opportunities through geographic expansion in the United States and the development of potential new indications
- Molecular imaging represents the future of nuclear medicine. Cyclopharm is well positioned to establish itself as the industry leader in PET radiopharmaceutical supply
- Cyclopharm has the people, vision and experience to deliver results

Appendix



Relative Cancer Survival Rates



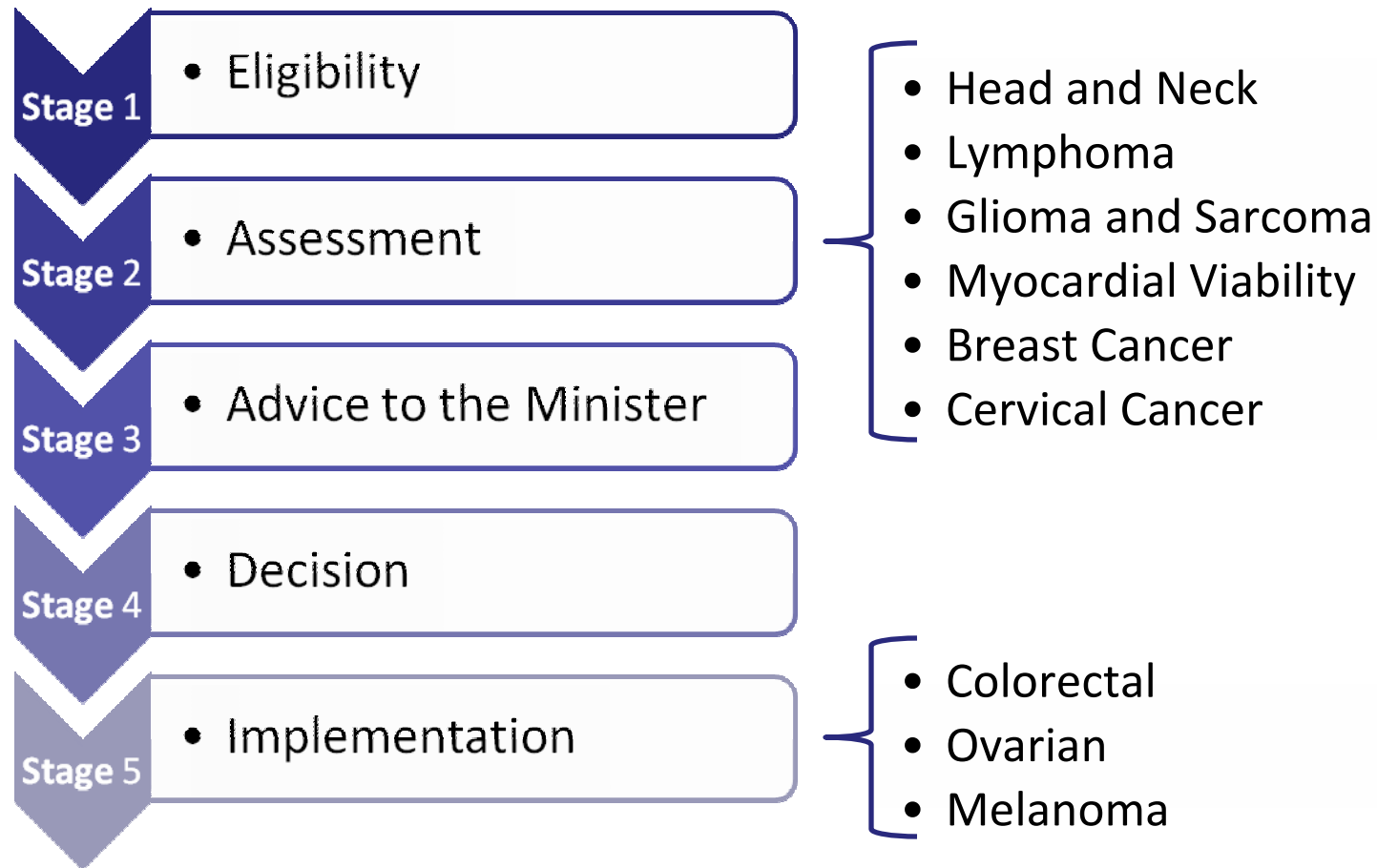
	1 Year Survival (%)	5 Year Survival (%)	10 Year Survival (%) ^a
All Cancers^b	76.6	61.0	54.6
Pancreas	19.1	4.6	3.7
Unknown primary site	17.2	9.1	6.9
Lung	35.4	11.8	8.4
Brain	40.9	18.9	15.1
Stomach	48.8	24.7	21.0
Ovary	73.2	39.8	31.7
Leukaemia	67.1	47.8	37.9
Head and Neck	80.4	56.3	46.0
Non-Hodgkin Lymphoma	77.9	62.1	51.6
Bladder	80.3	60.4	53.7
Colon	78.6	61.3	55.8
Colorectal	80.7	61.8	56.0
Rectum	84.5	62.9	56.3
Kidney	79.3	65.8	57.6
Gynaecological	84.8	65.3	60.0
Cervix	87.2	71.8	68.0
Prostate	95.5	85.3	75.4
Uterus, body	92.6	82.1	78.9
Breast	97.2	87.7	79.4
Hodgkin Lymphoma	92.6	85.2	80.7
Melanoma of skin	97.6	91.6	89.0
Thyroid	95.8	93.4	91.9
Testis	98.6	96.8	95.8

(a) 10-year relative survival proportions are based on 1996-2004 diagnoses

(b) Excluding non-melanocytic skin cancer

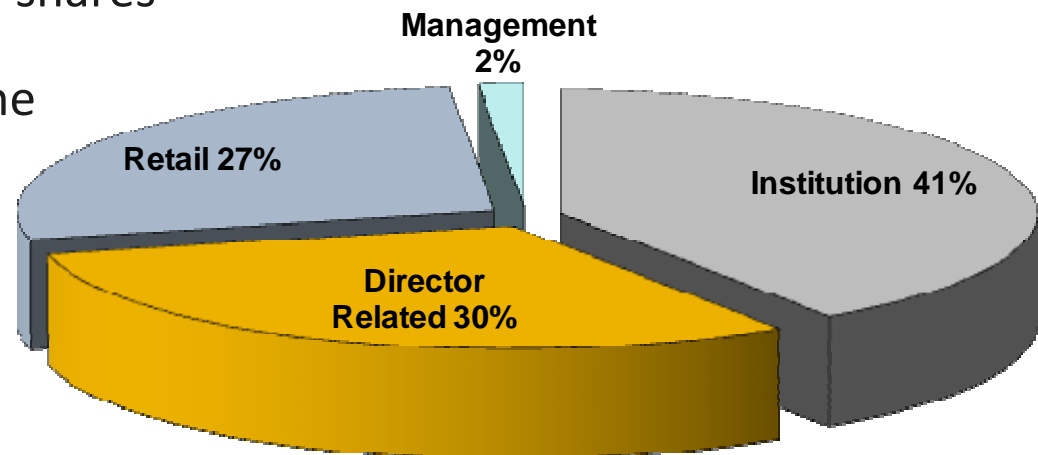
Highlighted areas denote indications approved by the Australian government for reimbursement
Source: National Cancer Statistics Clearing House, AIHW

Medical Services Advisory Committee PET Indications In Process



Indicative Share Capital¹

- Listed on the ASX in January 2007
- 139,212,816 shares
- 1,254 shareholders
- Top 20 Investors = 67% of total shares
- 8.5% of Investors hold 84.3% of shares
- Strong backing from cornerstone investors



Profile - Top 20 Shareholders

1. As at 31 August 2008