

21 May 2009

cyclopharm
Nuclear Medicine



cyclomedica
molecular imaging
technegas

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

Cyclopharm Limited
ABN 74 116 931 250
Suite 630 Level 6
1 Queens Road
Melbourne Victoria 3004
Australia
T 61 3 9867 2811
F 61 3 9820 5957
www.cyclopharm.com

Chairman's Address

Welcome to the Annual General Meeting of the members of Cyclopharm Limited (ACN 116 931 250) at St Kilda Road Towers, 1 Queens Road, Melbourne on Thursday, 21 May, 2009 at 11.00 a.m.

I, Vanda Russel Gould, as Chairman, declare that a quorum is present in accordance with the Constitution and that the meeting is open.

I have the pleasure of introducing my fellow directors Mr David Heaney and the Managing Director Mr James McBrayer.

Mr John Sharman has submitted his apologies for not being present at the meeting today. He is currently overseas attending to litigation on behalf of Cyclopharm.

I also welcome Professor Nabil Morcos, Cyclopharm's Chief Operating Officer, Mr Greg Ralph, the Company's Auditor and Mr William Richardson, Cyclopharm's Company Secretary.

Please note the following documents are tabled and are available for review, the Notice of Annual General Meeting, the Financial Statements, Independent Auditor's Report, Directors' Report, the Member's minute book, Company's Constitution and Shareholders' Register.

We are delighted that the strength of our technology continues to generate sales with strong margins and cash flows to support our investment in future growth. Achievement of an after tax profit of \$1,757,062 for the year represents an improved position as against our forecast.

Whilst it would be our preference to pay a dividend at this time, with Cyclopharm currently implementing its expansion strategy during this uncertain economic world, it is prudent that we retain funds while we execute our strategy.

In November 2008 we closed the rights issue fully subscribed; raising \$3.18 million through the support of 269 Shareholders. We are extremely grateful for the continued support from our Shareholders and also appreciate the support of our bankers who increased our debt facilities in December 2008 to \$6.45 million.

In the 2008 Annual Report we highlighted that the Company had served a demand for arbitration on Clinquest Inc. Clinquest Inc was engaged from 2000 to 2007 to obtain approval from the FDA to sell Technegas in the United States. We are of the view that

Clinquest were negligent in their role and we have lodged a claim against Clinquest for US\$2.0 million plus interest.

I have been involved with Cyclopharm's principal business activity Technegas, as an investor, since the late 1980's. Expansion into the US market has always been a long-term goal of the company. In December 2008 we lodged the application to sell Technegas with the US Food and Drug Administration (FDA). Based on early dialogue with the FDA, we have decided to withdraw our application. The withdrawal has had an obvious impact on the timing of approval but our path forward is more defined now than it has ever been. We are in discussions with the FDA at present and will be in a better position to provide shareholders with an updated timeline in the next 3 to 4 months.

Cancer represents 30% of all deaths in Australia. This diverse group of diseases will have an impact on each and every one of us either directly or indirectly during our lifetime. We see our participation in the field of molecular imaging through PET as representing a key defence in the battle against this voracious disease. Commissioning and production of PET radiopharmaceuticals from our first PET Nuclear pharmacy is expected this calendar year at Macquarie University Private Hospital (MUPH) in North Ryde, NSW. The facility at Macquarie has capacity for two PET/CT scanners.

In addition to a focus on oncology, we expect that Macquarie University Private Hospital will become the centre of excellence for neurology as well as cardiology. We are privileged to be part of this landmark development.

On behalf of my fellow Directors I would particularly like to commend our new Managing Director, Mr James McBrayer, for his stewardship over the past 11 months. Mr McBrayer has proven to be an invaluable asset to the company.

Mr James McBrayer, Cyclopharm's Managing Director will now present the review of operations.

Vanda Gould
Chairman