



Cyclopharm Ltd

Shareholder Update

August 2006

Overview

A leading radiopharmaceutical company to list on the ASX

Cyclopharm is a world class radiopharmaceutical company

- Products are produced from facilities in Australia
- Products requires a high degree of technical excellence
- Track record for meeting customer needs "just in time"

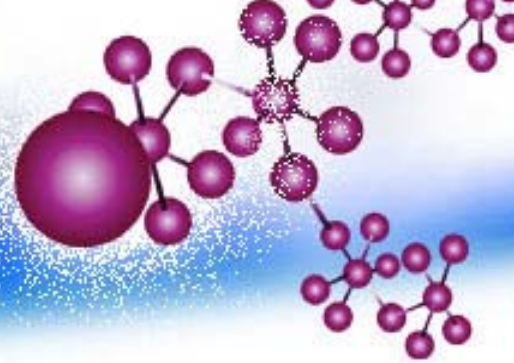
Cyclopharm has a suite of proprietary technologies

- Core Technegas technology is patented in 36 countries
- Molecular Imaging: licensed processes and hardware
- Other patents and processes for ThromboTrace and radiopharma reagents

Cyclopharm's principal commercial activity is the production of radio tracers

- Vitamedica – a successful innovator, manufacturer and distributor specialising in lung ventilation imaging in the field of nuclear medicine.
- Molecular Imaging – a provider of PET (positron emission tomography) molecular biomarkers and equipment.

Directors/Management



- The directors and senior management team have many years' experience in the radiopharmaceutical industry - on a global basis

Executive

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

John Sharman **Managing Director**

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

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

Non Executive

Vanda Gould **Chairman**

- B. Comm, FCA, FCPA
- Chairman CVC Limited
- 30 years in accounting, finance and investment

Dr Bernard Salin **Director (to be appointed)**

- President Cyclopharma Laboratories SA
- PhD Biophysics & Researcher in Nuclear Medicine
- 35 years experience including senior executive positions with Pfizer & Warner Lambert

Henry Townsing **Director**

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

New appointee



Industry Outlook



Nuclear Medicine

- Safe, painless, cost effective
- Provides information on major organs of the body
- 9 – 10m p.a. and 10 – 12m p.a. imaging and therapeutic procedures approximately in Europe & USA respectively
- Approx 100 types of procedure available
- Radiation comparable to a diagnostic x-ray
- Nuclear Medicine Physicians:
 - Europe: ~2,200
 - US: ~2,700
 - Australia: ~300

Marketplace

Nuclear medicine is growing	2004
Nuclear medical dept – World	>10,000
Nuclear medical dept – EU	1,310
Nuclear medical dept – US	6,700
Nuclear medical dept – Aust	160

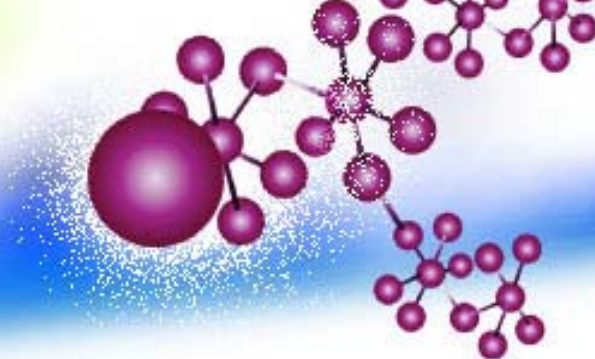
PET Imaging – is the growth sector

- Rule of thumb : 1 PET Scanner / 750,000 population
- FDG Doses:

	Potential	Actual	Revenue
	p.a	2005	2005
USA	4.0m	1.0m	US\$280m
France	0.25m	35,000	€12m
Australia	0.09m	25,000	A\$9m



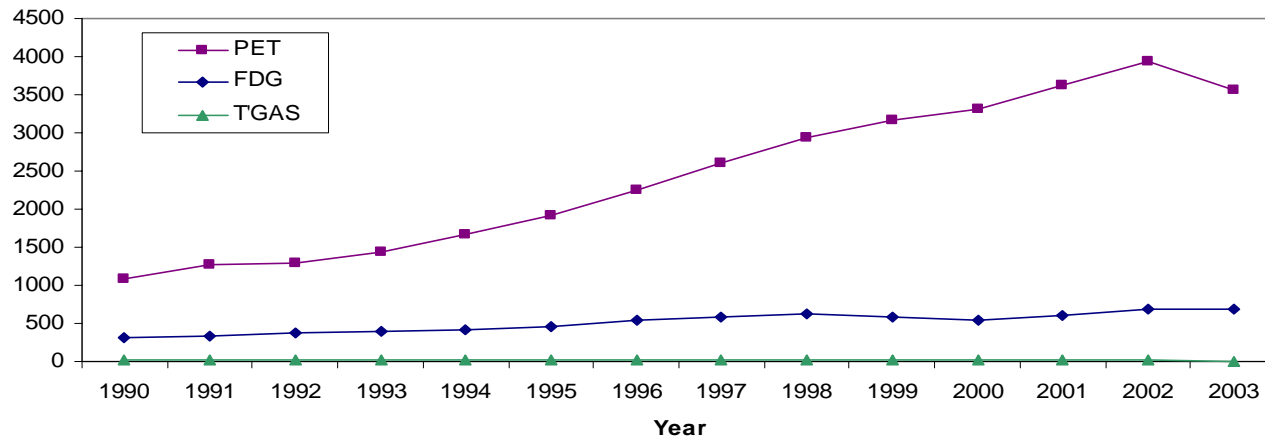
Industry Outlook



Medical Publications

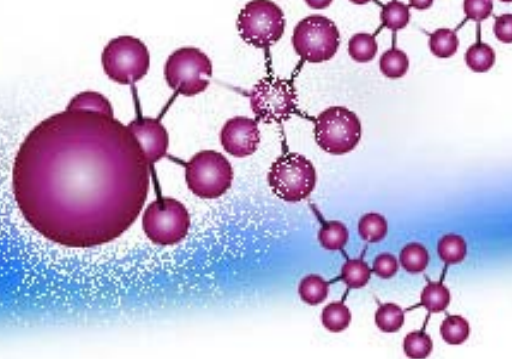
- The growth potential for Cyclopharm's two business units, FDG and Technegas, is reflected in the level of professional interest in their respective radiopharmaceutical sub-sectors:
 - Medical publications written on: Technegas averages 10 – 20 papers per year;
 - FDG averages 600 – 700 papers per year; and
 - PET averages 3,000 – 3,500 papers per year

Medical Publications



Industry Outlook

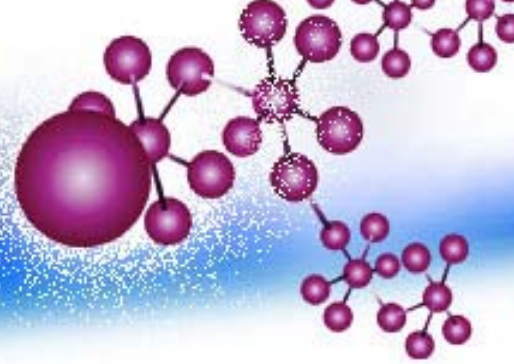
Participants



Radiopharma Companies	Cyclotrons	Production Tools	H2O 18	Raw Material	PET Cameras	Turnkey Laboratory
GE / Amersham USA	✓	✓		✓	✓	✓
Cyclopharma / Thales France	✓	✓		✓		✓
IBA Belgium	✓	✓				✓
Siemens / CTI Germany	✓	✓			✓	✓
Schering Germany			✓	✓	✓	
Mallinckrodt USA			✓			

Cyclopharm has licensed Cyclopharma's technology.

PET Radiopharmaceuticals



Characteristics

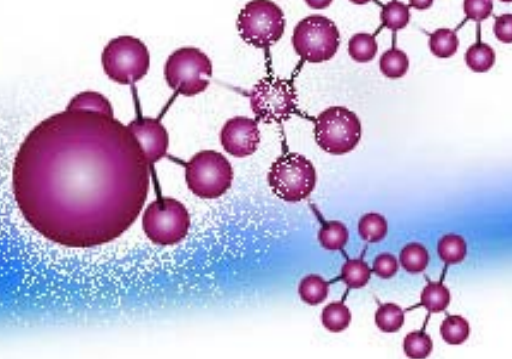
- Are difficult to produce
- Have a short half life, eg FDG 110 minutes
- Just in time delivery to staff

Indications

- FDG - cancer tumours
- Fluoro Chlorine - prostate cancer*
- FLT - breast cancer*
- Fluoro Sodium - bone cancer*
- Fluoro DOPA - neurology*

*Not approved by TGA, Australia

Industry Outlook Australia

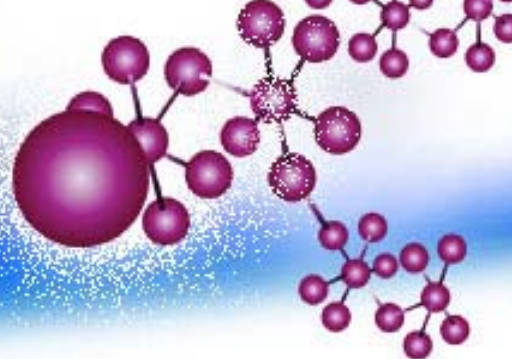


The market for FDG and other PET Radiopharmaceuticals is poised for 5 – 7 years of exponential growth

- The Australian Government is cautiously accepting PET for the diagnosis and monitoring of cancer.
- 18 - 20 PET Cameras to be installed by 2007/08 ie one PET scanner / 1,000,000 population.
- CT Scanners were originally controlled at around 1 / 1,000,000 population. Now 1 / 250,000 population.
- FDG is only one PET tracer. 3 – 5 new PET tracers are emerging.
- Government reimbursement for FDG is being restricted but market forces are irresistible.



Australian Cyclotrons

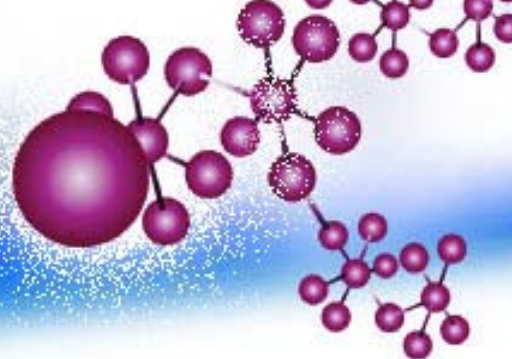


Cyclotrons by location

Hospital	City	Cyclotrons	
		Commercial	Research
Peter McCallum	Melbourne		1 x Oxford 10MeV
Austin	Melbourne		1 x IBA 10MeV
Charlie Gardner	Perth		1 x IBA 10MeV
Non Hospital			
Cyclotek Australia	Melbourne	1 x GE 16MeV	
National Medical (ANSTO)*	Sydney	1 x IBA 30MeV	
CMS	Brisbane	1 x GE 16MeV	

*Does not supply FDG

Operations



Cyclopharm Ltd

100%

100%

Technegas (World)



Molecular Imaging (Australia/Asia)



Radiopharma Drugs

- Licensed from Cyclopharma SA France

Nano-particulates

Technegas
ThromboTrace



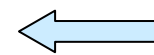
Customer

Nuclear
Medicine
Departments/
Physicians

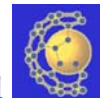


Central Pharmacies

FDG
Fluoro Chlorine
FLT
Fluoro DOPA
Fluoro Sodium



Melanoma
MAA
Others



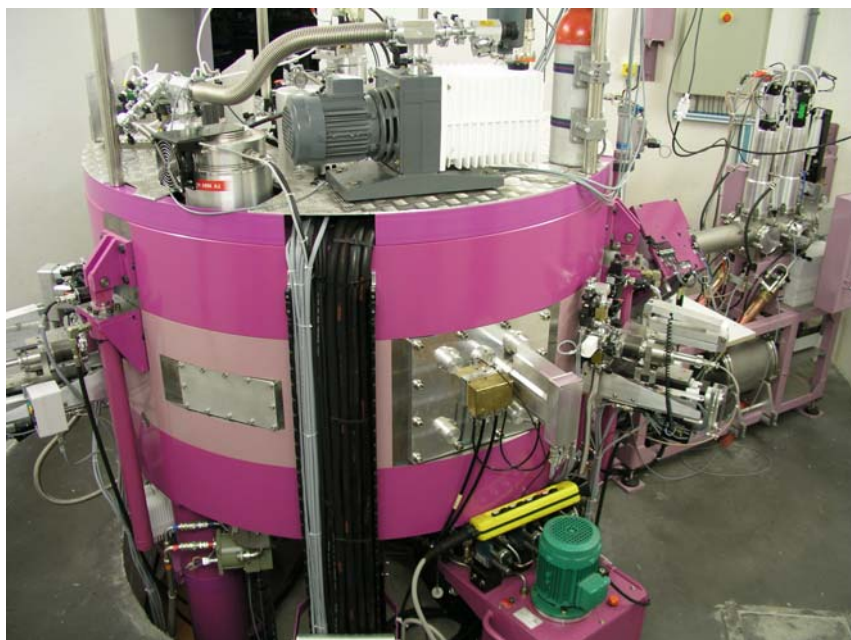
Molecular Imaging

Licensed Imaging

- Cyclopharm has licensed sophisticated proprietary hardware to facilitate high volume dose production, ie up to 100 doses per day.

Components of a Cyclopharm Laboratories Central Pharmacies

Cyclotron



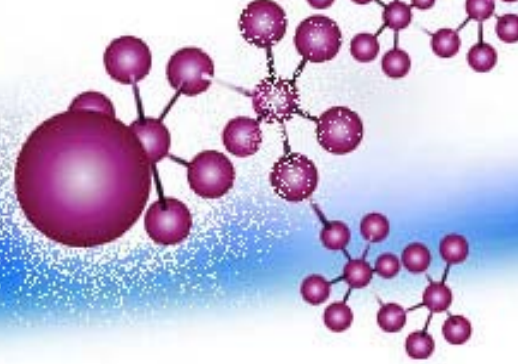
Synthesiser



Dispenser



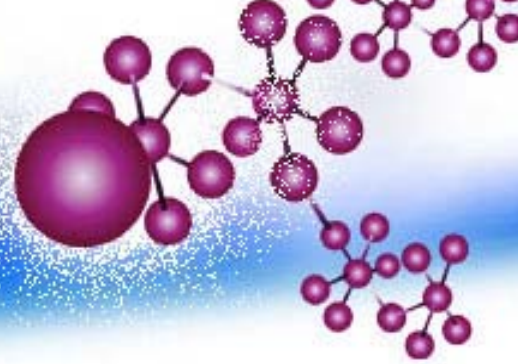
Molecular Imaging



Vertical integration strategy key to securing 50% + of Australian market

- Cyclopharm plans to establish 3 – 4 Central Pharmacies in Australia
- The customer catchment area is PET Scanners within 120 minutes of each Central Pharmacy
- Generic radiopharmaceuticals
- Proprietary radiopharmaceuticals
- The capital cost of a Central Pharmacy is around A\$5.0m

Technegas



Pulmonary emboli:

- 600,000 confirmed cases in US annually with 60,000 deaths
- ~50,000 patient studies annually in Australia



Technegas Operations



The key to Technegas' success is its efficiency and high quality images

- Technegas Plus Generators are sold to nuclear medicine departments. This is a one time sale.
- Each time a patient dose is prepared and administered, a patient administration set ("PAS") is used. This is a one time use consumable.

Components of Technegas

Generator



PAS



Crucible

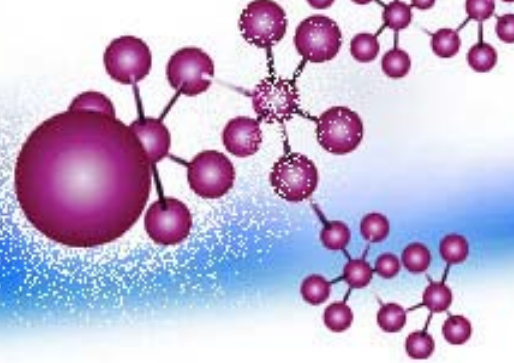


Technegas Competitors

Patents up to 2020 protect Technegas' leading position

- Technegas' competitors are generic products that generally provide practitioners with poorer quality images at a lower cost.
- Spiral CT was an emerging competitor to Technegas but
 - Time to complete accurate diagnosis by practitioner takes significantly longer
 - CT deliveries ~ 100x more radiation to patients than Technegas
 - CT (for lung scans) is not suitable for pregnant women, women lactating, women generally (impact of radiation on breasts) and several other groups.

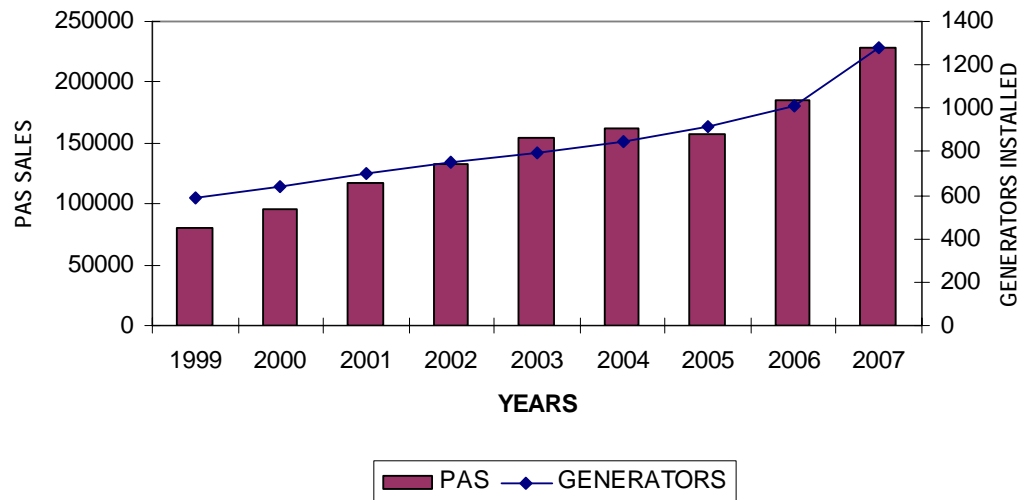
Technegas Markets



Sold in more than 40 countries

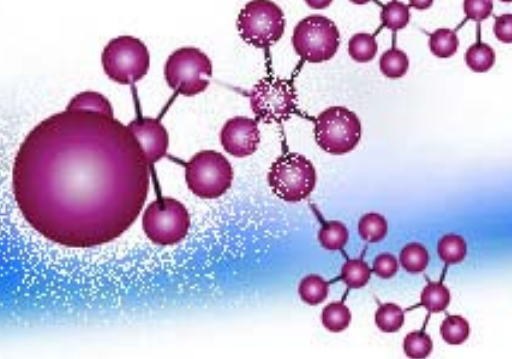
- Technegas installed in most of the world's leading general and teaching hospitals
 - Barts Hospitals, London
 - Hospital St Antoine Assistance Public, Paris
 - Sherbrooke University of Quebec, Canada
 - University Hospital of Karlsruhe, Germany
 - Jieki University Hospital, Tokyo
 - National University Hospital, Seoul
 - Beijing University Hospital, Beijing
 - Peter McCallam Cancer Institute, Melbourne

Technegas Sales



World Markets for Technegas

Sales continue to grow steadily
with US market yet to be tapped



World Markets for Technegas Nuclear Medicine Departments



	Market Potential	Installed Generators 2005	Market Share
Europe	1,310	542	41%
Asia Pacific	794	303	38%
Middle East / South Asia	281	16	6%
North America	6,820	39	1%
South America	616	7	1%
Africa	20	5	25%
Total	9,841	912	9%

Technegas Growth

FDA approval is key to significant growth

- Technegas is 6 years into the FDA approval process. Approval planned for 2007.
- Growth potential exists in the UK, Germany and Italy
- Patient studies per Technegas Generators are highest in Canada and France at 420 PAS and 400 PAS respectively
- 50% of all PAS sales are made in France and Australia

World Markets for Technegas

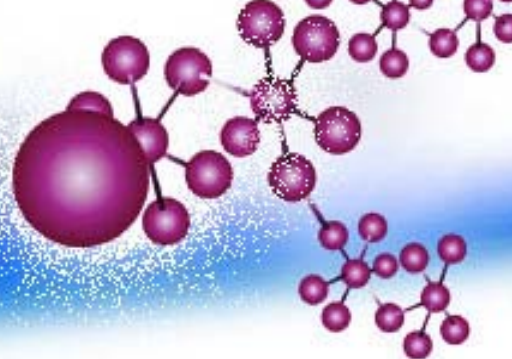
Patient Administrations



	PE & COPD Patient Studies p.a. 000's	2006 Forecast 000's	Market Share 000's
Europe	262	118	11%
Asia Pacific	271	43	17%
Middle East / South Asia	60	1	0%
North America	2,120	21	0%
South America	62	1	0%
Africa	20	1	0%
Total	2,795	185	4%



Vitamedica Financials



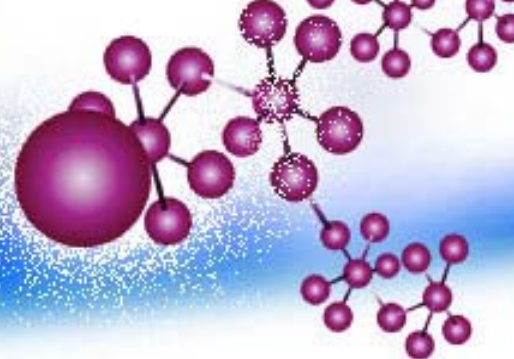
“Toll” Technegas revenue underpins profits

Technegas

A\$	2003	2004	2005	2006 (e)	2007 (f)
Revenue	7.74	8.70	8.80	9.92	12.40
EBITDA	2.06	2.93	2.69	3.07	4.63
EBIT	1.94*	2.83	2.61	3.00	4.56
PBT	-2.94	2.77	2.32	3.00	4.56

*Adjusted for management fees and write offs of \$4.7 million

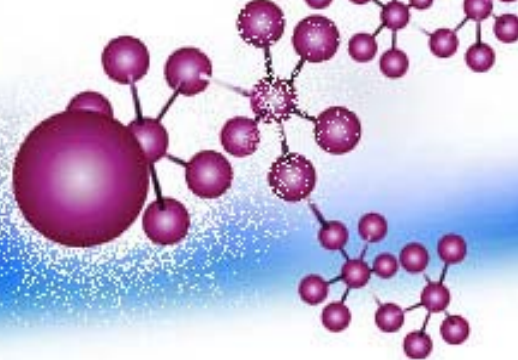
Consolidated Profit and Loss



Consolidated Profit and Loss

A\$	2006 (e)	2007 (f)
Sales	9,924,401	12,404,010
EBITDA	2,787,160	3,726,880
EBIT	2,706,286	3,637,919
PBT	2,441,048	3,199,086

Cyclopharm Ltd



Thank You