Cyclopharm Limited
Appendix 4D - Half Year Report
For the half year ended 30 June 2015

To	COMPANY ANNOUNCEMENTS		
Company	Australian Securities Exchange	No of Pages	44 incl. cover
Date	26 August 2015		
From	James McBrayer		
Subject	**Appendix 4D**		

Please see attached 30 June 2015 Half Year Report for Cyclopharm Limited (ASX - CYC).

This announcement is made pursuant to Listing Rule 4.2A.3.

For all enquiries please contact

Mr James McBrayer
Managing Director and Company Secretary
Cyclopharm Limited

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Cyclopharm Limited
Appendix 4D - Half Year Report
For the half year ended 30 June 2015

1. Company details

Name of entity

CYCLOPHARM LIMITED

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
74 116 931 250	30 June 2015	30 June 2014

The information contained in this report is to be read in conjunction with Cyclopharm Limited's 2014 Annual Report and any announcements to the market by Cyclopharm Limited during the half year ended 30 June 2015 and up until the date of this Appendix 4D.

2. Results for announcement to the market

2.1 Revenues from ordinary activities	Down 23%	to	5,077,740
2.2 Profit from ordinary activities after tax attributable to members	Down 81%	to	178,842
2.3 Profit for the period attributable to members	Down 81%	to	178,842

2.4 Dividends	Amount per security	Franked amount per security
Final dividend proposed	Not applicable	Not applicable
Interim dividend	0.5 cents per share	0.5 cents per share

2.5 Record date for determining entitlements for the final dividend	7 October 2015

2. Results for announcement to the market (continued)

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

The group's net profit after tax for the half year was $178,842 (1H2014: profit after tax of $923,417). Volume sales of TechnegasPlus generators grew by 4% while unit sales of Patient Administration Sets were 16% lower as a result of volumes returning to the regular seasonal timing difference in the sale of PAS sets in France. Excluding the French market, PAS sales volume increased 14% over the prior corresponding period.

Our core Technegas Division achieved profit before tax of $0.32 million despite the absence of PAS sales to our second largest market in France in the first half of the year, due to a change in the timing of orders from that market. A significant percentage of French annual demand of PAS sets, amounting to approximately $1.37 million, were sold in the previous corresponding period, whereas all 2015 PAS sales to that market will occur in the second half of the 2015 financial year. The company has received material sales orders for the French market in July 2015, and anticipates that 2015 full year sales to that market will be equal to or slightly greater than the prior year.

The following table outlines the underlying Technegas Division performance on a comparative half year basis:

Half Year ended 30 June	**2013**	**2014**	**2015**
	$'000	$'000	$'000
Net (Loss) / Profit Before Tax	(1,431)	757	285
Add back: Molecular Imaging Division Loss Before Tax	1,388	562	38
Add back: FDA expenses incurred	141	312	158
Less: Realised and unrealised forex (gain) / loss	(46)	(51)	45
Less: Profit contribution from PAS sales to France	(380)	(1,104)	-
Technegas Division Net (Loss) / Profit Before Tax excluding FDA expenses, realised and unrealised forex and profit contribution from PAS sales to France	(328)	476	526

Sales volumes and gross margins from our Technegas business grew strongly over the half year, driven by a combination of improved sales in Europe (excluding France) and Asia, reflecting higher volumes and prices, amidst stable operating costs. Pleasingly, PAS margins have improved by 3% over the previous corresponding period, benefiting from a cost reduction program initiated a year ago.

Our progress towards expanding the use of Technegas in additional indications took a significant step forward with our COPD trial commencing in China.

We are fine-tuning the design and tooling of our Ultralute™ technology and are moving towards the commercial launch of the product in the second half of the year, with material sales expected to be recorded in the first half of 2016. We are excited about its potential to form the basis of the group's next stage of growth.

The Molecular Imaging division recorded a loss before tax of $38,332 (1H2014: loss before tax of $562,133). Lower FDA expenses of $157,594 (1H2014: $311,995) were incurred during the current period.

With the cessation of CycloPet's commercial operations in April 2014, material decreases in costs were recorded across a number of items compared to the prior corresponding period. These included administration expenses down $240,107 to $1,244,885 and employment expenses down $197,650 to $1,509,979.

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Cyclopharm's balance sheet strengthened, benefiting from net operating cashflow of $875,360. The company's net cash at the end of the financial period was $3,613,361 and it held minimal debt of $213,559. This improving financial position supported the Board's decision to commence dividend payments to shareholders.

As a result of the cessation of the loss-making CycloPet business, Cyclopharm is now in a taxable position as tax losses associated with that enterprise have now been fully utilised.

OUTLOOK

In the second half of 2015, we expect stronger Technegas revenues and earnings driven by the full year impact of sales into the French market occurring in the second half, and the seasonally stronger sales associated with the Northern Hemisphere winter. In addition, the company anticipates continued strong performance in Canada and improved volumes from targeted marketing in Europe and Asia as well as organic growth with the commencement of an education program focused on referring physicians. Simultaneously, we will actively pursue the regulatory approvals required to commence sales in Russia.

We look forward to introducing Technegas to the United States market following the successful completion of our Phase 3 clinical trial and subsequent approval by the FDA. Our recent meeting with the FDA in August provided further clarity in support of our development plan. Prior to commencing patient recruitment in early 2016, we expect to meet with the FDA once more before our final clinical trial program is submitted for approval. I look forward to updating shareholders following the outcome of these further FDA discussions.

The Directors maintain their view that FDA approval to sell Technegas into the USA market provides Cyclopharm with the opportunity to significantly expand its sales and profitability. The company is actively considering alternatives such as partnerships or licensing arrangements which may assist it with the FDA approval process and accelerate commercialisation of the product.

The opportunities for developing additional Technegas indications to include COPD will be a key priority for the company. If successful, the potential to expand Technegas' revenue and profitability over the medium to longer term is undoubtedly significant.

We expect the Molecular Imaging division to continue recording a nominal operating loss in the second half of 2015 arising from retaining certain employees to assist with the restoration of the Cyclotron which is expected to continue into the second quarter of 2016. Such costs in the near term will be offset by the insurance claim yet to be fully estimated.

We anticipate monthly operating costs of $0.043 million once the Cyclotron has been fully repaired. We intend to continue to utilise the Cyclotron facility at MUH to progress some of the company's research and development activities until a longer-term use for the facility is ascertained, including the potential sale of the asset.

We continue to focus on moving towards commercial production of the Ultralute™ technology while simultaneously entering into discussions with potential commercial partners. Global industry interest in our Ultralute™ technology is strong and continues to accelerate. We look forward to making further announcements this year regarding Ultralute's™ progress towards commercialisation and are excited about its potential to form the basis of Cyclopharm's next stage of growth.

As a result of the restructuring of our business and ceasing operations that compete directly with Government owned enterprises, Cyclopharm has become much simpler and our prospects for profitable growth have been greatly enhanced, as evidenced by our First Half operating results. We are now in a significantly stronger position to realise the potential of our highly profitable and cash-generating Technegas business in international markets and to continue the development of our patented Ultralute™ technology.

Over the last six months Cyclopharm has made strong progress in executing on its strategic priorities.

After an intensive period of research and development, product innovation, strengthening our distribution network, corporate restructurings and litigation distractions, Cyclopharm is now delivering its strategic goals, improving its earnings, and delivering financial returns to

shareholders.

Having simplified the company, our clear focus is on growing the strong core business and delivering on the transformational opportunities that we are well-advanced in developing. This is an exciting time to be at Cyclopharm and we look forward to further executing on our growth strategy which will deliver superior profitability and cash flows, including growing returns to shareholders.

For the half year period, the Directors have declared the Company's first (interim) dividend of 0.5 cents per share, fully franked, which will be paid on 14 October 2015 to shareholders on the register on 7 October 2015.

In summary, I believe that in 2015, Cyclopharm will achieve solid growth and maintain a healthy capital position. Many of the issues that have hindered our progress in the past few years have been addressed. I look forward to updating our shareholders as we gain momentum in delivering on our profitable growth objectives.

3. Net tangible assets

	30 June 2015	30 June 2014
Net Tangible Assets per security	$0.11	$0.06

4. Entities over which control has been gained or lost during the period

Control over entities

Name of entity (or group of entities)	Not applicable

Loss of control over entities

Name of entity (or group of entities)	Not applicable

5. Dividends

Not applicable

6. Dividend reinvestment plans

Not applicable

7. Details of associates and joint venture entities

Material investment in associates and joint ventures are as follows :

	30 June 2015	30 June 2014
Macquarie Medical Imaging Pty Ltd	20%	20%

The reversal of share of the associate's loss for the period was $0 (2014: $60,000).

8. For Foreign Entities, which accounting standards were used in compiling this report

International Financial Reporting Standards (IFRS)

9. If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

The accounts have been subject to review.

Cyclopharm Limited
Half Year Report 2015

cyclopharm

Cyclopharm Limited and its Controlled Entities
ABN 74 116 931 250

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Highlights

Strategic Priorities – progress in 1H15 enables commencement of dividend payments

Over the last six months Cyclopharm has made strong progress in executing on its strategic priorities.

After an intensive period of research and development, product innovation, strengthening our distribution network, corporate restructurings and litigation distractions, Cyclopharm is now delivering its strategic goals, improving its earnings, and delivering financial returns to shareholders.

Having simplified the company, our clear focus is on growing the strong core business and delivering on the transformational opportunities that we are well-advanced in developing. This is an exciting time to be at Cyclopharm and we look forward to further executing on our growth strategy which will deliver superior profitability and cash flows, including growing returns to shareholders.

For the half year period, the Directors have declared the Company's first (interim) dividend of 0.5 cents per share, fully franked, which will be paid on 14 October 2015 to shareholders on the register on 7 October 2015.

Strong core business and delivering on "transformational opportunities"

Cyclopharm's key priorities in the Half Year were to:

1. Simplify the corporate structure so the company's full focus can be on growing the core business and delivering on our well-advanced transformational opportunities;

2. Grow the core business based on expanding Technegas sales in existing markets;

3. Accelerate the process to gain regulatory approval to sell Technegas into the key US market;

4. Pursue sales of Technegas in the complimentary Chronic Obstructive Pulmonary Disease ("COPD") market which is significantly larger than the current Pulmonary Embolism market; and

5. Position the company to commence sales of Ultralute™, our proprietary product for extending the useful life and increasing the productivity of our customers' Molybdenum-99 generators in the near term.

The Directors are delighted to report that it achieved each of its key priorities for the Half Year. These achievements have seen the company deliver a solid underlying financial result despite timing differences of PAS sales to France enabling further investment in growth opportunities and the commencement of dividend payments to shareholders.

Highlights

First half highlights

Half Year ended 30 June		2014	2015	Inc/(Dec)	% Change
Sales Revenue	$	6,554,374	5,077,740	(1,476,634)	(23%)
Profit before tax and finance costs	$	823,328	298,166	(525,162)	(64%)
Net Profit after tax	$	923,417	178,842	(744,575)	(81%)
Earnings Per Share	cents	1.61	0.31	(1.30)	(81%)

Technegas

Technegas business delivered solid underlying growth during the Half Year. The volume of Technegas generators sold increased by 4% and sales of Patient Administration Sets ("PAS"), excluding the French market, increased 14% over the prior corresponding period. Profit after tax of $0.179 million was recorded for the period reflecting the absence of PAS units sold to France in the current half year, the impact of which is expected to be fully reversed in the second half of the financial year.

Finalisation of an alternative fast track United States Food and Drug Administration (FDA) clinical trial program in the fourth quarter of 2015.

Expansion of Technegas use into the Chronic Obstruction Pulmonary Disease (COPD) market with the expected report of a pilot clinical trial in China to be published in the fourth quarter of 2015.

Ultralute™

Fine-tuning of design and tooling are underway for our new patented Ultralute™ technology for commencement of sales. Ultralute™ extends the useful life of Molybdenum-99 generators by up to an additional 50%.

Managing Director's Review

FEATURES - A strong underlying 2015 first half

The group's net profit after tax for the half year was $178,842 (1H2014: profit after tax of $923,417). Volume sales of TechnegasPlus generators grew by 4% while unit sales of Patient Administration Sets were 16% lower as a result of the timing difference in the sale of PAS sets in France. Excluding the French market, PAS sales volume increased 14% over the prior corresponding period.

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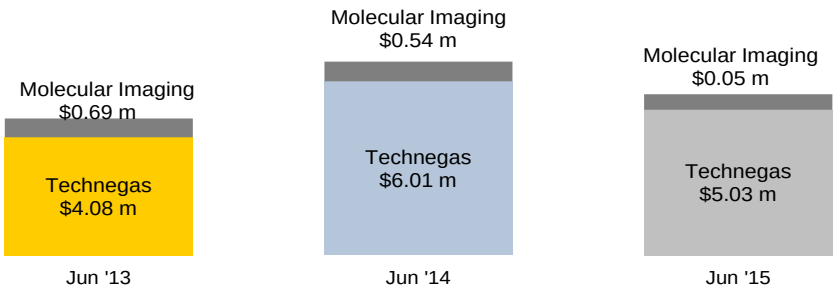
Our progress towards expanding the use of Technegas in additional indications took a significant step forward with our COPD trial commencing in China.



Group Revenue by segment

Managing Director's Review
Continued

We are fine-tuning the design and tooling of our Ultralute™ technology and are moving towards the commercial launch of the product in the second half of the year, with material sales expected to be recorded in the first half of 2016. We are excited about its potential to form the basis of the group's next stage of growth.

The Molecular Imaging division recorded a loss before tax of $38,332 (1H2014: loss before tax of $562,133). Lower FDA expenses of $157,594 (1H2014: $311,995) were incurred during the current period.

With the cessation of CycloPet's commercial operations in April 2014, material decreases in the Group's costs were recorded across a number of items compared to the prior corresponding period. These included administration expenses down $240,107 to $1,244,885 and employment expenses down $197,650 to $1,509,979.

Cyclopharm's balance sheet strengthened, benefiting from net operating cashflow of $875,360. The company's net cash at the end of the financial period was $3,613,361 and it held minimal debt of $213,559. This improving financial position supported the Board's decision to commence dividend payments to shareholders.

As a result of the cessation of the loss-making CycloPet business, Cyclopharm is now in a taxable position as tax losses associated with that enterprise have now been fully utilised.

Looking ahead to the full year, your Directors expect the company to:
1. Report materially stronger sales and earnings from the Technegas division in the second half due to cyclically higher procedures volume during the northern hemisphere winter and the recording of the full year sales of PAS units into the French market,
2. Deliver the commercial launch of Ultralute™,
3. Advance the process for FDA approval to commence sales of Technegas in the US market,
4. Further progress the China COPD trial, and
5. Generate ongoing positive cash flows which will support investment in growth opportunities, further dividend payments or capital management initiatives.

OPERATING REVIEW

TECHNEGAS

Sales revenue from ordinary activities of $5.03m (1H2014: $6.01m) was 16% lower than the prior corresponding period. Gross profit margins as a percentage of sales increased from 77% to 79%. A profit before income tax of $323,590 was recorded.

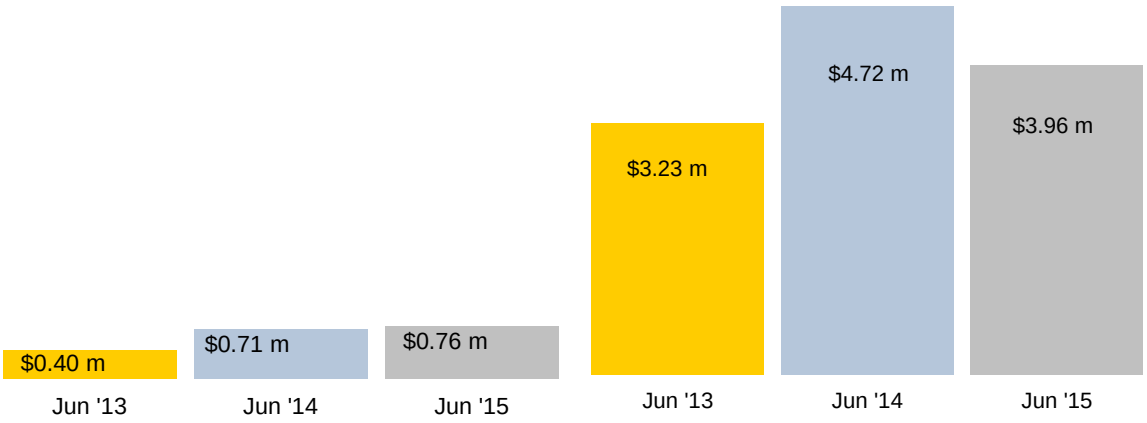
Revenue and profitability were impacted by the timing of sales to France where $1.37 million of PAS sets were sold in the first half of 2014, whereas all current year sales to France will occur in the second half of 2015. Sales and orders received in July and August 2015 support the company's expectation that 2015 full year sales volume into the French market will be comparable to or greater than the prior year. Excluding PAS sales to France, revenue from ordinary activities of $5.03 million was 8% higher than the prior corresponding period.

Revenue from the division's key PAS product was 16% lower at $3.96 million compared to $4.72 million for the same period in 2014. Excluding PAS sales to France, revenue from PAS was 18% higher than the prior corresponding period.

Revenue from Technegas Generators improved by $0.05 million to $0.76 million, underpinned by the sales of 26 Generators in the first half, 1 unit more than the same period last year.

Managing Director's Review
Continued

Technegas Market Review



Group, Technegas Generator Revenue **Group, PAS Revenue**

Europe
During the period, 51% (2014: 58%) of Technegas' revenues were recorded in Europe, again underscoring the region's importance. European sales revenue of $2.54 million was 27% lower than $3.47 million recorded in the prior corresponding period. Historically, the majority of sales in Europe occurred in the second half of the year. The absence of PAS sales to France in the half year to 30 June had an adverse impact on revenue of $1.37 million compared to the prior corresponding period.

Excluding sales to France, revenue from the rest of Europe increased by a robust $0.44 million or 21% compared to the previous period.

North America
Canada recorded another solid result with sales revenue of $0.98 million (1H2014: $1.07 million) in spite of the absence of generator sales (1H2014: 4 generators). PAS revenue grew by 6% to $ 0.98 million on a 3% increase in units sold. On a country basis, Canada has emerged as the largest Technegas market with their claim as number one expected to continue in 2015. Management views our success in Canada as a strong indicator for anticipated take-up rates in the USA should approval to market Technegas in the USA be obtained.

Asia Pacific
In Asia Pacific, we recorded revenues consistent with the same period last year. In Australia, sales were 20% lower than the same period last year with 1 new generator sold (1H2014: 5 generators) being partially offset by higher Australian PAS volumes which grew by 12% compared to the prior corresponding period. Pleasingly, sales revenue in Asia grew significantly by 432% to $0.33 million (1H2014: $0.06 million).

New Drug Application to sell Technegas in the USA

Cyclopharm announced to the Australian Securities Exchange in November 2012 that the Technegas Clinical trial required for market entry into the United States had commenced at New York's Presbyterian/Columbia University Medical Center. A total of 750 patients were required for the study. Despite screening numerous patients and modifying the enrolment requirements last year, fewer than 30 patients were imaged. To address the low patient recruitment issue, Cyclopharm met with the FDA in September 2014 to propose significant modification to the clinical trial program which, if accepted, should result in a simplified study that will ultimately allow for an expedited and less costly path towards FDA approval to market the product.

The Company remains confident that its application for market entry into the United States will ultimately be successful. As the USA represents a major growth opportunity, the Directors are determined to continue to drive hard for FDA approval but will ensure we do so cautiously and prudently.

In addition to progressing FDA approval independently, the company is also actively considering alternatives such as partnerships or licensing arrangements which may assist the FDA approval process and accelerate commercialisation in that market.

Going forward, the Directors advise that further expenditure on the FDA trials will be expensed until FDA approval is achieved, notwithstanding the confidence of the Directors that such approval will ultimately be given. For the half year, these expenses totalled $157,594 compared to $311,995 in the prior corresponding period.

New Drug Application

Cyclopharm continues to develop new indications for Technegas. Other disease states beyond Pulmonary Embolism, to include Chronic Obstructive Pulmonary Disease ("COPD") and Lung Cancer have significant market potential for Technegas and are currently being targeted with clinical studies now underway. Our pursuit of an expanded indication is fuelled by the market potential as we estimate that the COPD market is 15 to 20 times the size of the Pulmonary Embolism market in which we currently participate.

Stated simply, Technegas has the potential to be used not only for early diagnosis of COPD but also on a recurrent basis for COPD management.

The opportunity presented by this discovery may lead to a significant expansion of the use of Technegas globally. For example, in Australia, 1 in 5 Australians can expect to suffer from COPD in their lifetime, and in China it has been estimated that there will be 65 million deaths from COPD and 18 million deaths from lung cancer between 2003 and 2033.

In May 2013 we were delighted to announce we had initiated a pilot clinical trial in China, targeting the use of Technegas for the diagnosis of COPD.

The commencement of this trial coincided with the results of a study published in the North American Journal of Nuclear Medicine by Canadian researchers from McMaster University and the Firestone Institute for Respiratory Health, which demonstrated that Technegas detected changes in lung ventilation and perfusion before structural changes in the lungs were detected by CT scans.

Site initiation at three hospitals in China was completed in February 2014 and patient recruitment is in progress. Abstracts are being developed for the Asia Pacific Society of Respirology ("APSR") with results of the trial expected to be presented at their conference in November 2015 in Malaysia. We will provide updates as they become available.

Our participation at the APSR in Malaysia in November and European Society of Respirology ("ESR") in the Netherlands in September is a strategic initiative to engage with referring physicians. We believe this engagement will both assist in promoting additional indications for Technegas and in supporting the existing use of our product for the detection of Pulmonary Embolism.

ULTRALUTE™

After almost 2 years in development, in April 2013, we were delighted to announce that Cyclopharm had invented a unique patented Nuclear Medicine technology – Ultralute™. Cyclopharm's Ultralute™ technology extends the useful life of Molybdenum-99 (Mo-99) generators by up to an additional 50%. This technology potentially gives nuclear medicine departments the ability to dramatically improve their operating efficiencies and health outcomes for patients.

Mo-99 generators are used in diagnostic imaging to harvest Technetium-99m, or Tc-99m, which is the primary isotope used in diagnostic imaging throughout the world. This isotope accounts for approximately 80% of all nuclear medicine diagnostic imaging procedures.

Mo-99 has a half-life of around 2.75 days. It then decays to the 6 hour half-life Tc-99m. As Mo-99 decays there comes a time when the amount of Tc-99m eluted from the generator is so diluted that it becomes virtually unusable.

Managing Director's Review
Continued

Initial testing and prototype designs of the Ultralute™ technology have provided exceptional results. Global industry interest in our Ultralute™ technology is strong and continues to accelerate.

We continue to fine-tune the design and tooling of the Ultralute™ technology and are moving towards commercial production. We are very excited by the commercial prospects for Ultralute™ and are confident it provides Cyclopharm with the basis for superior shareholder returns over the longer term.

The company intends to launch Ultralute™ in the second half of this year with material sales of Ultralute not expected to be recorded until the first half of 2016.

MACQUARIE MEDICAL IMAGING

We continue to be encouraged by the strong growth in patient volumes seen through Macquarie Medical Imaging ("MMI"), our joint venture diagnostic imaging service located at Macquarie University Hospital ("MUH"). MMI achieved a robust 14% increase in sales during the Half Year in comparison with the prior corresponding period.

Cyclopharm's medical imaging joint venture, MMI, provides patients at MUH and neighbouring suburbs access to state-of-the-art imaging facilities including 3T MRI, CT, X-ray, Ultrasound and PET scanning.

Growth in MMI is tied closely to the hospital's ramp-up. Sales revenue continues to increase – up 14% in the Half Year - as initiatives being implemented at MUH, including a new breast cancer clinic and expanded specialties such as cardiothoracic services, cancer care services and expanded PET indications take effect.

The joint venture is accounted for on an equity basis due to Cyclopharm's minority shareholding. As a result, MMI's full accounts are not consolidated into our accounts.

MOLECULAR IMAGING

CycloPet
As a result of ceasing CycloPet's commercial operations in April 2014, the division's loss before tax of $38,332 for the half year was a significant improvement to the prior period's loss of $562,133.

We announced on 20 June 2014 that substantial water damage occurred to our Cyclotron facility in MUH in the course of extinguishing a fire in the carpark on the floor above our site. The Cyclotron facility is fully insured and we expect that the claim will be significant. The first progress payment claim of $0.3 million was received in early August 2014.

Cyclopharm continues to work with our insurers, assessors and interested parties to determine the future of the facility. We will update shareholders as our discussions progress.

OUTLOOK

In the second half of 2015, we expect stronger Technegas revenues and earnings driven by the full year impact of sales into the French market occurring in the second half, and the seasonally stronger sales associated with the Northern Hemisphere winter. In addition, the company anticipates continued strong performance in Canada and improved volumes from targeted marketing in Europe and Asia as well as organic growth with the commencement of an education program focused on referring physicians. Simultaneously, we will actively pursue the regulatory approvals required to commence sales in Russia.

We look forward to introducing Technegas to the United States market following the successful completion of our Phase 3 clinical trial and subsequent approval by the FDA. Our recent meeting with the FDA in August provided further clarity in support of our development plan. Prior to commencing patient recruitment in early 2016, we expect to meet with the FDA once more before our final clinical trial program is submitted for approval. I look forward to updating shareholders following the outcome of these further FDA discussions.

Managing Director's Review
Continued

The Directors maintain their view that FDA approval to sell Technegas into the USA market provides Cyclopharm with the opportunity to significantly expand its sales and profitability. The company is actively considering alternatives such as partnerships or licensing arrangements which may assist it with the FDA approval process and accelerate commercialisation of the product.

The opportunities for developing additional Technegas indications to include COPD will be a key priority for the company. If successful, the potential to expand Technegas' revenue and profitability over the medium to longer term is undoubtedly significant.

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In summary, I believe that in 2015, Cyclopharm will achieve solid growth and maintain a healthy capital position. Many of the issues that have hindered our progress in the past few years have been addressed. I look forward to updating our shareholders as we gain momentum in delivering on our profitable growth objectives.

James McBrayer
Managing Director

Sydney, 26 August 2015

Directors' Report

The Directors of Cyclopharm Limited ("Cyclopharm" or "Company") submit their half yearly report together with the financial report for Cyclopharm and its controlled entities for the half year ended 30 June 2015.

DIRECTORS

The names of the Company's directors in office throughout and since the end of the half-year are set out below.

Mr V R Gould	Non-Executive Chairman
Mr D J Heaney	Non-Executive Director
Mr H G Townsing	Non-Executive Director
Mr J S McBrayer	Managing Director

PRINCIPAL ACTIVITIES

During the year, the principal continuing activities of the consolidated entity consisted of the manufacture and sale of medical equipment and radiopharmaceuticals, including associated research and development in radiopharmaceuticals. The manufacture and sale of PET radiopharmaceuticals ceased at the end of April 2014.

OPERATING AND FINANCIAL REVIEW

Operating Results for the Half Year

For the reporting period, the economic entity recorded a half year profit after tax attributable to members of $178,842 (2014: profit after tax of $923,417). The current period's results were significantly impacted by the timing difference in sales of Patient Administration Sets ("PAS") to the French market. In 2014, $1.37 million of PAS was sold to that market in the previous corresponding period, whereas the entire annual demand for that market will occur in the second half of the 2015 financial year. Lower losses incurred by the Molecular Imaging division in 2015 in line with ceasing commercial operations during the previous period reduced the impact to the current period's results arising from the timing difference of PAS sales to France. The Molecular Imaging division recorded a loss before tax of $38,332 (2014: loss before tax of $562,133). In addition, lower FDA expenses of $157,594 (2014: $311,995) were incurred during the current period.

Sales of TechnegasPlus generators grew by 8% (unit sales increased by 4%) while revenue from PAS excluding sales to France grew robustly by 18% (unit sales excluding sales to France increased by 14%).

Financial Position

Net assets have decreased from $7,756,160 as at 31 December 2014 to $7,712,180 as at 30 June 2015 predominantly due to the net gain of $178,842 for the period which was offset by a decrease of $311,149 in the foreign currency translation reserve.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 13 July 2015, the Company issued 2,203,590 Long Term Incentive Plan shares under its non-recourse loan payment plan at an exercise price of $0.90.

No other matters or circumstances have arisen since the end of the financial period, not otherwise dealt with in the financial report, which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial periods.

Directors' Report

Continued

DIVIDEND

The Directors are pleased to declare the company's first fully franked interim dividend of 0.5 cents per share which will be paid on 14 October 2015. The record date for the interim dividend is 7 October 2015.

The Directors intend to continue to manage the capital of the company efficiently to maximise financial returns to shareholders. The quantum and nature of future payments to shareholders will have regard to a number of factors, including the company's financial position, projected cash flows, capital expenditure and investment, the company's franking credit balance, share price and any proceeds or capital requirements of corporate actions.

Subject to no material change in financial affairs and having regard to the above factors, the Directors anticipate they will declare dividends for each forthcoming half year period, and that the FY2015 final dividend will be an amount equal to or greater than the 2015 interim dividend.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 follows the Directors' Report.

This report is made and signed in accordance with a resolution of the directors made pursuant to section 306(3) of the Corporations Act 2001:

James McBrayer
Managing Director & CEO

Sydney, 26 August 2015

Russell Bedford NSW
Chartered Accountants

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26 August 2015

The Board of Directors
Cyclopharm Limited
Building 75
Business and Technology Park
New Illawarra Road
Lucas Heights
NSW 2234

LEAD AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the review of the financial statements of Cyclopharm Limited for the half year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there has been no contravention of:

- the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

RUSSELL BEDFORD NSW
Chartered Accountants

STEPHEN FISHER
Partner

Condensed Consolidated Statement of Comprehensive Income

for the half year ended 30 June 2015

	Notes	Consolidated 30 June 2015 $	Consolidated 30 June 2014 $
CONTINUING OPERATIONS			
Sales revenue		5,077,740	6,554,374
Finance revenue		25,343	3,310
Other revenue		-	244,920
Total Revenue		**5,103,083**	**6,802,604**
Cost of materials and manufacturing		(1,126,869)	(1,697,838)
Employee benefits expense		(1,509,979)	(1,707,629)
Advertising and promotion expense		(152,435)	(133,310)
Depreciation and amortisation expense		(77,052)	(129,779)
Freight and duty expense		(222,002)	(310,226)
Research expenses		(16,052)	(9,297)
Administration expense		(1,244,885)	(1,484,992)
Other expenses		(455,643)	(566,205)
Reversal of loss of an associate		-	60,000
Profit before tax and finance costs		**298,166**	**823,328**
Finance costs		(12,908)	(66,806)
Profit before income tax		**285,258**	**756,522**
Income tax (expense) / benefit		(106,416)	166,895
Net profit for the period		**178,842**	**923,417**
Other comprehensive (loss) / income after income tax			
Items that will be re-classified subsequently to profit and loss when specific conditions are met:			
Exchange differences on translating foreign controlled entities (net of tax)		(311,149)	(191,573)
Total comprehensive (loss) / income for the year		**(132,307)**	**731,844**
Earnings per share (cents per share)	4	**cents**	**cents**
-basic earnings per share for continuing operations		0.31	1.61
-basic earnings per share		0.31	1.61
-diluted earnings per share		0.31	1.61

The Condensed Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes to the Half Year Report.

Condensed Consolidated Statement of Financial Position

as at 30 June 2015

	Notes	Consolidated 30 June 2015 $	Consolidated 31 December 2014 $
Assets			
Current Assets			
Cash and cash equivalents		3,613,361	3,268,425
Trade and other receivables		2,968,527	3,268,993
Inventories		2,357,641	2,284,653
Other assets - prepayments		65,202	27,972
Total Current Assets		**9,004,731**	**8,850,043**
Non-current Assets			
Property, plant and equipment		640,620	729,063
Investments accounted for using the equity method	5	-	-
Intangible development assets		1,178,207	706,884
Deferred tax assets		541,459	675,327
Total Non-current Assets		**2,360,286**	**2,111,274**
Total Assets		**11,365,017**	**10,961,317**
Liabilities			
Current Liabilities			
Trade and other payables		1,961,264	1,869,475
Interest bearing loans and borrowings	6	44,470	45,692
Provisions		853,817	796,363
Tax liabilities		532,809	208,486
Total Current Liabilities		**3,392,360**	**2,920,016**
Non-current Liabilities			
Interest bearing loans and borrowings	6	169,089	200,039
Provisions		81,426	72,219
Deferred tax liabilities		9,962	12,883
Total Non-current Liabilities		**260,477**	**285,141**
Total Liabilities		**3,652,837**	**3,205,157**
Net Assets		**7,712,180**	**7,756,160**
Equity			
Contributed equity	7	14,962,967	14,962,967
Employee equity benefits reserve		453,586	365,259
Foreign currency translation reserve		(834,248)	(523,099)
Accumulated losses		(6,870,125)	(7,048,967)
Total Equity		**7,712,180**	**7,756,160**

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes to the Half Year Report.

Condensed Consolidated Statement of Cash Flows

for the half year ended 30 June 2015

	Consolidated	
	30 June 2015	30 June 2014
	$	$
Operating activities		
Receipts from customers	5,340,976	6,697,759
Payments to suppliers and employees	(4,456,884)	(5,761,822)
Interest received	25,343	3,310
Borrowing costs paid	(12,908)	(66,806)
Income tax (paid) / received	(21,167)	278,775
Net cash flows from operating activities	**875,360**	**1,151,216**
Investing activities		
Loan repaid by associate	-	60,000
Proceeds from disposal / (Purchase) of property, plant and equipment	19,592	(17,689)
Payments for deferred expenditure*	(513,487)	(152,989)
Net cash flows used in investing activities	**(493,895)**	**(110,678)**
Financing activities		
Repayment of bank borrowings	(32,172)	(900,000)
Repayment of lease liabilities	-	(2,588)
Net cash flows used in financing activities	**(32,172)**	**(902,588)**
Net increase in cash and cash equivalents	**349,293**	**137,950**
Cash and cash equivalents		
at beginning of the period	**3,268,425**	**1,220,646**
net foreign exchange differences from translation	(4,357)	(7,921)
at end of the period	**3,613,361**	**1,350,675**

* Included in payments for deferred expenditure are amounts incurred on Ultralute ($398,741) and the development of the next generation of the Technegas generator ($91,501).

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes to the Half Year Report.

Condensed Consolidated Statement of Changes in Equity

for the half year ended 30 June 2015

Consolidated	Contributed Equity $	Other Contributed Equity $	Total Contributed Equity $	Retained Profits / (Accumulated Losses) $	Foreign Currency Translation Reserve $	Employee Equity Benefits Reserve $	Total $
Balance at 1 January 2014	**20,296,395**	**(5,333,158)**	**14,963,237**	**(11,114,530)**	**(1,017,186)**	**338,585**	**3,170,106**
Profit for the half year	-	-	-	923,417	-	-	923,417
Other comprehensive loss	-	-	-	-	(191,573)	-	(191,573)
Total comprehensive profit/(loss) for the half year	**-**	**-**	**-**	**923,417**	**(191,573)**	**-**	**731,844**
Cost of share based payments	-	-	-	-	-	5,585	5,585
Total transactions with owners and other transfers	**-**	**-**	**-**	**-**	**-**	**5,585**	**5,585**
Balance at 30 June 2014	**20,296,395**	**(5,333,158)**	**14,963,237**	**(10,191,113)**	**(1,208,759)**	**344,170**	**3,907,535**
Balance at 1 January 2015	**20,296,125**	**(5,333,158)**	**14,962,967**	**(7,048,967)**	**(523,099)**	**365,259**	**7,756,160**
Profit for the half year	-	-	-	178,842	-	-	178,842
Other comprehensive loss	-	-	-	-	(311,149)	-	(311,149)
Total comprehensive profit/(loss) for the half year	**-**	**-**	**-**	**178,842**	**(311,149)**	**-**	**(132,307)**
Cost of share based payments	-	-	-	-	-	88,327	88,327
Total transactions with owners and other transfers	**-**	**-**	**-**	**-**	**-**	**88,327**	**88,327**
Balance at 30 June 2015	**20,296,125**	**(5,333,158)**	**14,962,967**	**(6,870,125)**	**(834,248)**	**453,586**	**7,712,180**

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the Half Year Report.

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2015

1. CORPORATE INFORMATION

The Half Year financial report of Cyclopharm Limited for the half year ended 30 June 2015 was authorised for issue with a resolution of the directors as of the date of this half year report.

Cyclopharm is a Company limited by shares incorporated and domiciled in Australia. The shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose condensed consolidated interim financial statements for the half-year reporting period ended 30 June 2015 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard *AASB 134 Interim Financial Reporting.* The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Cyclopharm Limited and its controlled entities (referred to as the "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2014, together with any public announcements made during the following half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the December 2014 annual report.

New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting Period

The Group adopted the following Australian Accounting Standards from the mandatory application date of 1 July 2014:

- **AASB 2014-1: *Amendments to Australian Accounting Standards (Parts A, B, C and E)***

  Part A of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and makes the following significant amendments:
  - revises/adds the definitions of the terms "market condition", "performance condition" and "service condition" in AASB 2: *Share-based Payment*;
  - clarifies that contingent considerations arising in a business combination should be accounted for as items of equity or liability and not as provisions in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*;
  - requires additional disclosures when an entity aggregates its operating segments into one reportable segment in accordance with AASB 8: *Operating Segments*; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting Period (continued)

- includes an entity that provides key management personnel services (a "management entity") to a reporting entity (or a parent of the reporting entity) within the definition of a "related party" in AASB 124: *Related Party Disclosures*.

This part also makes other editorial corrections to various Australian Accounting Standards; however, it is not expected to have a significant impact on the Group's financial statements.

Part B of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and permits an entity to recognise the amount of contributions from employees or third parties in a defined benefit plan as a reduction in service cost for the period in which the related service is rendered, if the amount of contributions is independent of the number of years of service. This part is not expected to have a significant impact on the Group's financial statements.

Part C of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and deletes the reference to AASB 1031: *Materiality* in particular Australian Accounting Standards. This part is not expected to have a significant impact on the Group's financial statements.

Part E of this Standard is applicable to annual reporting periods beginning on or after 1 January 2015 and defers the application date of AASB 9 (December 2010) to annual reporting periods beginning on or after 1 January 2018. This part also makes consequential amendments to hedge accounting disclosures set out in AASB 7: Financial Instruments: Disclosures, and to AASB 132: Financial Instruments: Presentation to permit irrevocable designation of "own use contracts" as measured at fair value through profit or loss if the designation eliminates or significantly reduces an accounting mismatch. Management believes that there will not be any significant impact on the Group's financial statements on adoption of this part of the Standard.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

– AASB 2014-1: *Amendments to Australian Accounting Standards (Part D)*

Part D of this Standard is applicable to annual reporting periods beginning on or after 1 January 2016 and makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, which arise from the issuance of AASB 14: Regulatory Deferral Accounts in June 2014. AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. In line with management's assessment of AASB 14, this part is not expected to have a significant impact on the Group's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

New Accounting Standards for Application in Future Periods (continued)

– AASB 2014-3: *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*

This Standard is applicable to annual reporting periods beginning on or after 1 January 2016. It amends AASB 11: *Joint Arrangements* to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

Since adoption of this Standard would impact only acquisition of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Group's financial statements.

– AASB 9: *Financial Instruments and associated Amending Standards* (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

New Accounting Standards for Application in Future Periods (continued)

– AASB 15: ***Revenue from Contracts with Customers*** (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

3. SEGMENT REPORTING

For the period ended	Consolidated		
	Technegas	Molecular Imaging	Total
30 June 2015	**$**	**$**	**$**
Revenue			
Sales to external customers	5,032,680	45,060	5,077,740
Finance revenue	25,314	29	25,343
Total segment revenue	**5,057,994**	**45,089**	**5,103,083**
Result			
Profit / (Loss) before tax, depreciation and finance costs	**409,001**	**(33,783)**	**375,218**
Depreciation and amortisation	(73,058)	(3,994)	(77,052)
Profit / (Loss) before tax and finance	**335,943**	**(37,777)**	**298,166**
Finance costs	(12,353)	(555)	(12,908)
Profit / (Loss) before tax	**323,590**	**(38,332)**	**285,258**
Income tax expense	(106,416)	-	(106,416)
Net Profit / (Loss) for the period	**217,174**	**(38,332)**	**178,842**
Assets and liabilities			
Segment assets	9,565,024	1,799,993	11,365,017
Segment liabilities	3,253,905	398,932	3,652,837

3. SEGMENT REPORTING

	Consolidated		
For the period ended	**Technegas**	**Molecular Imaging**	**Total**
30 June 2014	**$**	**$**	**$**
Revenue			
Sales to external customers	6,014,691	539,683	6,554,374
Finance revenue	3,277	33	3,310
Other revenue	-	244,920	244,920
Total segment revenue	**6,017,968**	**784,636**	**6,802,604**
Result			
Profit / (Loss) before tax, depreciation and finance costs	**1,438,186**	**(485,079)**	**953,107**
Depreciation and amortisation	(108,553)	(21,226)	(129,779)
Profit / (Loss) before tax and finance	**1,329,633**	**(506,305)**	**823,328**
Finance costs	(10,978)	(55,828)	(66,806)
Profit / (Loss) before tax	**1,318,655**	**(562,133)**	**756,522**
Income tax benefit	166,895	-	166,895
Net Profit / (Loss) for the period	**1,485,550**	**(562,133)**	**923,417**
Assets and liabilities			
Segment assets	7,362,774	627,640	7,990,414
Segment liabilities	2,267,000	1,815,879	4,082,879

4. NET TANGIBLE ASSETS AND EARNINGS PER SHARE

Net Tangible Assets per share

	Consolidated	
	30 June 2015	31 December 2014
	$	$
Net assets per share	0.13	0.14
Net tangible assets per share	0.11	0.12
	Number	Number
Number of ordinary shares for net assets per share	57,385,143	57,385,143
	30 June 2015	31 December 2014
	$	$
Net assets	7,712,180	7,756,160
Net tangible assets	6,533,973	7,049,276

There were no movements in the number of ordinary shares during the period.

Earnings per share

	Consolidated	
	30 June 2015	30 June 2014
	$	$
Net earnings attributable to equity holders of the parent	178,842	923,417
	Number	Number
Weighted average number of ordinary shares for basic loss per share	57,385,143	57,448,536
	cents	cents
- basic earnings per share for continuing operations	0.31	1.61
- basic earnings per share	0.31	1.61
- diluted earnings per share	0.31	1.61
Weighted average number of ordinary shares for basic loss per share	57,385,143	57,448,536

There were no movements in the number of ordinary shares during the period.

5. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated	
	30 June 2015	31 December 2014
	$	$
Associated companies	-	-

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest	
				30 June 2015	31 December 2014
Macquarie Medical Imaging Pty Ltd	Imaging centre	Australia	Preference	20%	20%

	Consolidated	
	30 June 2015	31 December 2014
Macquarie Medical Imaging Pty Ltd	$	$
At 1 January	-	-
(Repayment made by) / Loan to associate	-	(60,000)
Reversal / (Share) of losses after income tax	-	60,000
At 30 June / 31 December	-	-

During the prior period, Cyclopharm's wholly owned subsidiary Cyclopet Pty Ltd received $60,000 in respect of a 2013 loan made to Macquarie Medical Imaging Pty Ltd, an imaging joint venture at Macquarie University Hospital. Cyclopet Pty Ltd has a 20% (2014: 20%) interest in Macquarie Medical Imaging Pty Ltd. As the amount had not been expected to be repaid in the short term as at 30 June 2013, it was included as an interest in the associate and a share of the associate's losses has been recognised under the equity method of accounting. When the loan was subsequently repaid unexpectedly in the prior period, the share of associate's loss was reversed.

The share of the associate's loss not recognised during the period was $370,658 (30 June 2014: loss of $332,025) and the cumulative share of the associate's loss not recognised as at 30 June 2015 was $1,263,645 (31 December 2014: $892,987). The comparative amounts have been revised after the receipt of the audited financial report of the associate subsequent to the last financial report of the Group.

The share of loss of associate not recognised as at 30 June 2015 is extracted from the unaudited financial report of the associate, and it may be revised when that financial report has been audited.

The fair value of the Group's investment in Macquarie Medical Imaging Pty Ltd was $nil (2014: $nil).

6. INTEREST BEARING LOANS AND BORROWINGS

	Consolidated	
	30 June 2015	31 December 2014
	$	$
Current		
Bank loan - secured (i)	44,470	45,692
Interest bearing loans and liabilities (current)	**44,470**	**45,692**
Non-current		
Bank loan - secured (i)	169,089	200,039
Interest bearing loans and liabilities (non-current)	**169,089**	**200,039**
Total financial liabilities	**213,559**	**245,731**
Total facilities	213,559	245,731
Facilities used at reporting date	(213,559)	(245,731)
Facilities unused at reporting date	**-**	**-**

(i) Cyclopharm's wholly owned subsidiary, Cyclomedica Ireland Limited, has a flexible rate loan provided by the Allied Irish Banks, plc. with a repayment period of 7 years. The facility is secured by a registered Fixed and Floating Charge and First Registered Debenture over Cyclomedica Ireland Limited and a guarantee from Cyclomedica Europe Limited.

7. CONTRIBUTED EQUITY

		Consolidated			
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
	Notes	Number	Number	$	$
Issued and paid up capital					
Ordinary shares	(i)	57,385,143	57,448,536	20,296,125	20,296,395
Other contributed equity		-	-	(5,333,158)	(5,333,158)
Total issued and paid up capital		**57,385,143**	**57,448,536**	**14,962,967**	**14,963,237**
Ordinary shares					
Issued and paid up capital					
Balance at the beginning and end of period		**57,385,143**	**57,448,536**	**20,296,125**	**20,296,395**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(i) There were no movements in issued and paid up capital during the period ended 30 June 2015 and 30 June 2014. Subsequent to balance date, the Company issued 2,203,590 Long Term Incentive Plan shares on 13 July 2015 under its non-recourse loan payment plan at an exercise price of $0.90.

8. COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Consolidated	
	30 June 2015	31 December 2014
	$	$
Operating Lease Commitments		
Minimum lease payments		
Due not later than one year	352,475	416,482
Due later than 1 year & not later than 5 years	897,215	933,682
More than 5 years	-	553,224
Total operating lease commitments	**1,249,690**	**1,903,388**
Operating lease expenses recognised as an expense during the period	223,781	327,150

- Cyclomedica Australia Pty Ltd's ("CMAPL") commercial lease on office and manufacturing space within the Australian Nuclear Science and Technology Organisation's ("ANSTO") premises will expire on 28 February 2016. ANSTO has advised CMAPL that the lease will not be renewed upon expiry.
- Cyclopet Pty Ltd has entered into a commercial lease for the PET Facility at Macquarie University Hospital. The lease has a term of 10 years and commenced upon commissioning of the Hospital in June 2010.
- The Group also has entered into commercial leases on motor vehicles that have an average life of approximately 3 to 5 years.

(b) Finance lease commitments

The Group has no finance lease commitments since the commercial lease on motor vehicles was fully repaid in December 2014.

8. COMMITMENTS AND CONTINGENCIES (continued)

(c) Other commitments – Bank loan repayments

	Consolidated	
	30 June 2015	31 December 2014
	$	$
The company has the following other commitments:		
Not later than one year	44,470	45,692
Due later than 1 year & not later than 5 years	169,089	182,768
More than 5 years	-	17,271
Total	**213,559**	**245,731**

Cyclopharm's wholly owned subsidiary, Cyclomedica Ireland Limited, has a flexible rate loan provided by the Allied Irish Banks, plc. with a repayment period of 7 years. The facility is secured by a registered Fixed and Floating Charge and First Registered Debenture over Cyclomedica Ireland Limited and a guarantee from Cyclomedica Europe Limited.

(d) Capital commitments

There were no material changes to the commitments disclosed in the 2014 Annual Report as at the date of this report.

8. COMMITMENTS AND CONTINGENCIES (continued)

(e) Contingent liabilities

(i) Macquarie Medical Imaging Pty Ltd's ("MMI") financing facility provided by the Commonwealth Bank of Australia ("CBA") was refinanced in June 2015 by De Lage Landen Pty Limited ("DLL"), part of the Rabobank Group. DLL does not require corporate guarantees from MMI's shareholders. Previously, Cyclopharm Limited and CycloPet Pty Ltd had jointly guaranteed with other investors to provide security for the whole MMI financing facility provided by the CBA. Cyclopharm Group's liability was limited to the amount that Cyclopharm Limited and CycloPet Pty Ltd were obliged to fund under a Subscription Agreement being 20% of the gross liability amount. The consolidated entities' contingent obligation at balance date was $nil (31 December 2014: $1,972,551).

(ii) Pursuant to a Shareholders' Agreement, Cyclopet Pty Limited (a wholly owned subsidiary of Cyclopharm Limited) has undertaken to provide a put option to a 50% shareholder of Macquarie Medical Imaging Pty Limited ("MMI") such that if this option was exercised, Cyclopet would be required to purchase all Redeemable Preference Shares and Ordinary Shares held by the 50% joint venturer for the value of the Redeemable Preference Shares plus any accumulated interest plus $1 for the Ordinary Shares. The cost to Cyclopet had the put option been issued and exercised at balance date is estimated not to exceed $1,440,899 (31 December 2014: $1,274,695). If the put option was issued and exercised, control of MMI would be transferred to the Group and MMI's financial statements would be consolidated from that date.

9. SIGNIFICANT RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of Cyclopharm and its subsidiaries as stated below.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial period:

CONSOLIDATED		Sales to related parties $	Purchases from related parties $	Repayment from related parties $	Amounts owed by related parties $	Provision for doubtful debts on Amounts owed by related parties $
Pilmora Pty Ltd	*2015*	-	15,914	-	-	-
	2014	-	15,914	-	-	-
Macquarie Medical Imaging	*2015*	-	-	-	230,782	230,782
	2014	38,142	-	60,000	230,782	230,782

Ultimate parent entity

Cyclopharm Limited is the ultimate parent entity in the wholly owned group.

Terms and conditions of transactions with related parties

- During the year, payments of $15,914 (2014: $15,914) were made to Pilmora Pty Ltd (an entity controlled by Director, Henry Townsing Sr.). All payments related to Mr Townsing's role as a non-executive director.
- Cyclopet Pty Ltd, a wholly owned subsidiary of Cyclopharm has a 20% interest in Macquarie Medical Imaging. Prior to ceasing commercial operations at the end of April 2014, Cyclopet manufactured products that were sold to Macquarie Medical Imaging. During the prior period, Cyclopet Pty Ltd received a repayment of $60,000 which it had loaned to Macquarie Medical Imaging in 2013. A share of the associate's losses had been recognised under the equity method in 2013 as it was not expected to be repaid in the short term. The share of the associate's losses has been reversed during 2014 in view of the amount received. As the loan amount and trade debtor balance of $230,782 (2014: $230,782) are not expected to be repaid in the short term, they are included as an interest in the associate and a share of the associate's losses has been recognised under the equity method as disclosed in Note 5.

10. DIVIDEND DECLARED DETAILS

The Company has declared a fully franked interim dividend of 0.5 cents per share which will be paid on 14 October 2015. The record date for the interim dividend is 7 October 2015.

11. EVENTS AFTER THE BALANCE SHEET DATE

On 13 July 2015, the Company issued 2,203,590 Long Term Incentive Plan shares under its non-recourse loan payment plan at an exercise price of $0.90.

No other matters or circumstances have arisen since the end of the financial period, not otherwise dealt with in the financial report, which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial periods.

Directors' Declaration

In the opinion of the directors of Cyclopharm Limited:

1. (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

    (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and

    (ii) complying with Accounting Standard *AASB 134 Interim Financial Reporting*, Corporations Regulations 2001 and other mandatory professional reporting requirements.

    (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001:

James McBrayer
Managing Director & CEO

Sydney, 26 August 2015

Russell Bedford NSW
Chartered Accountants

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Independent Review Report to the members of Cyclopharm Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cyclopharm Limited and the entities it controlled during the half year, which comprises the condensed consolidated statement of financial position as at 30 June 2015, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors Responsibility on the Half-Year Financial Report

The directors of Cyclopharm Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cyclopharm Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Matters Relating to Electronic Publication of the Reviewed Financial Report

This review report relates to the financial report of Cyclopharm Limited for the half year period ended 30 June 2015 included on the website of Cyclopharm Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on this integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cyclopharm Limited and the entities it controlled during the half year is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

RUSSELL BEDFORD NSW
Chartered Accountants

STEPHEN FISHER
Partner

Sydney, dated this 26th day of August 2015

General Information

Directors
Vanda Gould
Non-Executive Chairman

James McBrayer
Managing Director & CEO

David Heaney
Non-Executive Director

Henry Townsing
Non-Executive Director

Company Secretary
James McBrayer

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Bankers
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Solicitors
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Stock Exchange Listing
The ordinary shares of Cyclopharm Limited are listed on the Australian Securities Exchange Ltd (code: CYC).