Cyclopharm Limited
Appendix 4D - Half Year Report
For the half year ended 30 June 2009

To	COMPANY ANNOUNCEMENTS		
Company	Australian Securities Exchange	No of Pages	27 incl. cover
Date	27 August 2009		
From	William Richardson		
Subject	**Appendix 4D**		

Please see attached 30 June 2009 Half Year Report for Cyclopharm Limited (ASX - CYC).

For all enquiries please contact

Mr William Richardson
Company Secretary
Cyclopharm Limited

Telephone (03) 9867 2811 or email: wrichardson@cyclopharm.com.au

Cyclopharm Limited
Appendix 4D - Half Year Report
For the half year ended 30 June 2009

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 2009	30 June 2008

2. Results for announcement to the market

2.1 Revenues from ordinary activities	down 1%	to	4,321,023
2.2 Loss from ordinary activities after tax attributable to members	Not applicable	of	(142,334)
2.3 Loss for the period attributable to members	Not applicable	of	(142,334)

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

2.5 Record date for determining entitlements for the final dividend	Not applicable

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.

OVERVIEW

The net loss after tax for the half year was $142,334 (2008: Net profit after tax was $143,671). Sales of the Company's key products TechnegasPlus generators ("Generators") and Patient Administration Sets ("PAS") were consistent with the prior year. Gross profit margins were slightly lower due to a shift in the sales mix (more Technegas Generators and fewer PAS). The reduction in profitability can be primarily attributed to costs incurred in arbitration against Clinquest Inc (2009: $0.42 m), who were engaged from 2000 to 2007 to obtain approval from FDA to sell Technegas in the United States. The outstanding claim against Clinquest Inc. is for US$1.8m and your Directors believe that the case is very strong. The Molecular Imaging business did not contribute revenue during the period.

MOLECULAR IMAGING

Your Directors have focused attention on the development of Macquarie University Private Hospital ("MUH") and completion of the facilities is expected in the second half of 2009. We expect the commissioning of the production centre and for the imaging centre to be operational in early 2010. No revenue was earned during the period.

In July 2009, we advised shareholders that Cyclopharm entered a joint venture agreement ("Joint Venture") at MUH with Alfred Health Solutions ("AHS") to provide a full range of medical imaging services to MUH. Your Directors see this event as a significant diversification opportunity. The actual provision of PET imaging through the Joint Venture represents a key milestone in the execution of Cyclopharm's strategy to position the Company to service the mounting demand for PET imaging in Australia. Cyclopharm's purpose built radiopharmaceutical production centre located on the grounds of MUH will supply PET ("Positron Emission Tomography") radiopharmaceuticals for PET scanning including to PET/CT cameras within the imaging centre at MUH.

NEW DRUG APPLICATION

In December 2008, we submitted a New Drug Application ("NDA") to the United States FDA. Based on the constructive feedback we have received, we believe that the path toward US approval for Technegas is better defined. We have been working with the FDA on the structure of our resubmission. Part of that resubmission will be the requirement to conduct a Phase III clinical trial. We have been working with our advisors in the USA, Certus International, to develop a new protocol over the past few months. A submission to the FDA for a Special Protocol Assessment ("SPA") has recently been submitted.

The application for registration to sell Technegas in the USA has been pursued for the past decade. For the first time in over 10 years we lodged a submission with the FDA and received valuable formal feedback. We have reassessed our position and have devised a new strategy in which we are confident that the clinical findings will conclusively document a diagnostic advantage for Technegas (a finding made in all other western and developed countries in the world).

Once filed in mid to late 2010, we anticipate that the approval process will be less than 12 months.

OUTLOOK

The Company will continue to focus on developing its Molecular Imaging business. Completion of Cyclopharm's production facilities are expected during the second half of the 2009 calendar year. The production centre is targeted to be operational in early 2010 with the imaging practice joint venture to be operational contemporaneously.

We expect the historical trend of stronger sales revenue and improved gross margins in the second half of 2009 to continue. We forecast profitability to be impacted by costs of arbitration in relation to the case against Clinquest Inc.

3. Net tangible assets

	30 June 2009	31 December 2008
Net Tangible Assets per security	$0.07	$0.09

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

Not applicable

8. Foreign Entities

Not applicable

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 2009

cyclopharm

Cyclopharm Limited and its Controlled Entities
ABN 74 116 931 250

Contents

Highlights

Half Year ended 30 June		2008	2009	% Change
Sales Revenue	$'000	4,351,514	4,321,023	(1%)
Profit before tax and finance	$'000	482,285	20,460	(96%)
Normalised Profit before tax and finance*	$'000	482,285	441,990	(8%)
Net Profit / (Loss) after tax	$'000	143,671	(142,334)	(199%)
EPS	cents	0.10	(0.08)	(180%)

*Excludes one-off legal costs relating to Clinquest Inc arbitration of $421,530 for the half year ended 30 June 2009

Radiopharmaceutical production by year's end

Cyclopharm has commenced the fit-out of the radiopharmaceutical production centre located at Macquarie University Hospital ("MUH"). The facility is expected to be operational by year's end and meaningful revenues are forecast in 2010.

Medical Imaging Joint Venture at Macquarie University Hospital

The Joint Venture will provide patient's at MUH and neighbouring suburbs access to a state of the art imaging facilities offering a full range of imaging modalities including Positron Emission Tomography ("PET") scanning. Cyclopharm's radiopharmaceutical production centre located on-site at MUH will supply the radiopharmaceuticals for PET scanning.

New Drug Application, United States of America ("USA")

Following constructive feedback from the Food and Drug Administration (FDA), management are coordinating the resubmission. We expect to resubmit our application to sell Technegas in the US in 2010. Once filed we anticipate the approval process to take 9 to 12 months.

Arbitration update

Clinquest Inc was engaged from 2000 to 2007 to obtain approval from FDA to sell Technegas in the United States. The outstanding claim is for USD $1.8m and a decision is expected in the second half. Your Directors are confident in the case put before the arbitrators.

Managing Director's Review

FEATURES

It pleases me to present the 2009 half year results for Cyclopharm Limited ("Cyclopharm"). In July 2009, we advised shareholders that Cyclopharm entered a joint venture agreement ("Joint Venture") at Macquarie University Hospital ("MUH") with Alfred Health Solutions ("AHS") to provide a full range of medical imaging services to MUH. Your Directors see this event as a significant diversification opportunity. The actual provision of PET imaging through the Joint Venture represents a key milestone in the execution of Cyclopharm's strategy to position the Company to service the mounting demand for PET imaging in Australia. Cyclopharm's purpose built radiopharmaceutical production centre located on the grounds of MUH will supply PET ("Positron Emission Tomography") radiopharmaceuticals for PET scanning including to the PET/CT cameras within the imaging centre at MUH.

The net loss after tax for the half year was $142,334 (2008: Net profit after tax was $143,671). Sales of the Company's key products TechnegasPlus generators ("Generators") and Patient Administration Sets ("PAS") were consistent with the prior year. Gross profit margins were slightly lower due to a shift in the sales mix (more Technegas Generators and fewer PAS). The reduction in profitability can be primarily attributed to costs incurred in arbitration against Clinquest Inc (2009: $0.42 m), who were engaged from 2000 to 2007 to obtain approval from FDA to sell Technegas in the United States. The outstanding claim against Clinquest Inc. is for US$1.8m and your Directors believe that the case is very strong. The Molecular Imaging business did not contribute revenue during the period.

Despite the impact of the non-recurring item, the underlying business remains strong and the Directors are encouraged with the progress of the Company's businesses in the first half of 2009. Technegas continues to assert its relevance as a leading diagnostic imaging tool and we have superior clarity in terms of our steps toward approval for the sale of Technegas in the USA. As for the Molecular Imaging division, we are proceeding with the fit-out of our purpose built production centre in Sydney at the MUH and we plan to make its products available sometime early in 2010.

OPERATING REVIEW

Technegas

Sales revenue from ordinary activities of $4.32 m (2008: $4.35 m) was consistent with the prior comparative period. We recorded a profit before income tax of $314,975 lower than the prior year (2008: $594,999).

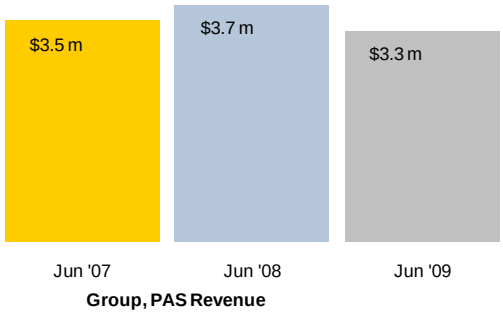
Sales revenue from the Company's key products, Generators and Patient Administration Sets ("PAS") were 1% lower than June 2008. Principally, sales revenue fell due to lower PAS sales which we believe is due to timing - we expect a stronger second half. We recorded 25 Generator sales in the first half – an improvement on the same time last year (2008: 18). The commitment by hospitals to either replace their old generators or install new generators for the first time is a testimony to the Company's proprietary technology. Importantly, it cements Technegas as a preferred diagnostic method of detecting pulmonary emboli ("PE") with the company's existing customers and expanding markets.

PAS or consumable revenue amounted to $3.30 million (60,700 units) for the current period (2008: $3.72 million or 67,000 units). As mentioned above, sales volume of PAS were impacted by timing which we expect to recover in the second half. Gross profit margins were impacted by the mix of sales. Generators have a lower gross margin than PAS, this change in mix impacted profitability. We expect an improvement in profitability in the second half.

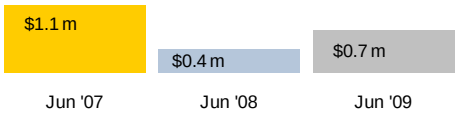
Operating costs were consistent with the prior comparative period except for legal costs of $0.42 m (December 2008: $0.16 m) in relation to the Clinquest Inc arbitration. We expect to incur a further $0.25m in costs in the current year.

Managing Directors Review
Continued

Technegas Markets / Revenue Composition



Group, PAS Revenue



Group, Technegas Generator Revenue

Europe
During the period, 50% of Cyclopharm's revenues were recorded in Europe once again demonstrating the region's importance. Sales revenue decreased 20% on the same time last year due the timing of PAS sales. Traditionally, the bulk of sales in Europe are incurred in the second half. We expect this trend to continue. We see potential growth in Russia which has over 700 nuclear medicine departments and represents a key untapped market in Europe. We received regulatory approval to sell our Generator and our approval for PAS is pending.

North America
We are pleased by the sale of 6 generators in the first half increasing the installed base of generators and underpinning the recurring revenue base from the one time, one patient use PAS. In Canada we recorded 7% growth in PAS sales - this is the seventh year of consecutive PAS sales growth. On a country basis, Canada is now Technegas's third largest market and a strong indicator for anticipated take up rates in the US, should approval to sell Technegas be obtained.

Asia Pacific
In Australia, Technegas has received strong competition from Computed Tomography Pulmonary Angiography ("CTPA"). Pleasingly, we recorded 286 PAS box sales (2008: 200 PAS boxes) a 43% rise on the previous half. In Asia, we recorded revenues of $0.07 m exceeding the same time last year (2008: $0.05m). In March 2009, we received regulatory approval in Korea, which has approximately 130 nuclear medical centres. We expect Korea to make solid contributions towards the growth of Technegas in future years. We have approvals pending in Japan and China and are optimistic of further growth in these markets.

New Drug Application

In December 2008, we submitted a New Drug Application ("NDA") to the United States FDA. Based on the constructive feedback we have received, we believe that the path toward US approval for Technegas is better defined. We have been working with the FDA on the structure of our resubmission.

Part of that resubmission will be the requirement to conduct a Phase III clinical trial. We have been working with our advisors in the US, Certus International, to develop a new protocol over the past few months. A submission to the FDA for a Special Protocol Assessment ("SPA") has recently been submitted.

The application for registration to sell Technegas in the USA has been pursued for the past decade. For the first time in over 10 years we lodged a submission with the FDA and received valuable formal feedback. We have reassessed our position and have devised a new strategy in which we are confident that the clinical findings will conclusively document a diagnostic advantage for Technegas (a finding made in all other western and developed countries in the world).

Managing Directors Review
Continued

New Drug Application (continued)

Our technology is safe, proven and has benefited over two million patients. For these reasons we are optimistic that we will significantly penetrate the potential market of 7,000 nuclear medicine departments in the USA. Once filed in mid to late 2010, we anticipate that the approval process will be less than 12 months.

MOLECULAR IMAGING

PET is clinically proven to better identify the location and extent of certain active cancer cells in the body. It allows clinicians to refine their decided course of treatment by either reducing the area of resection or lowering the course of therapy. However, access to PET for patients has been restricted by a number of factors.

We have highlighted to Shareholders that the limited number of PET procedures available for Medicare rebate (compared to the USA and Europe) was a major inhibitor to growth in PET procedures. In 2008, the Government expanded the number of PET approved indications to a total of 6 reimbursable procedures.

A further inhibitor was access to PET scanners. Relevantly, our first radiopharmaceutical production centre at MUH has capacity for two PET/CT scanners and furthermore in July 2009, we advised Shareholders of our intentions to enter into a Joint Venture to provide all medical imaging services to MUH and the surrounding catchment area. The Joint Venture will provide patient's at the 200 bed hospital and neighbouring suburbs access to state of the art imaging facilities including PET scanning.

MUH is a $180 million development that will establish a major medical precinct within the Macquarie University Research Park to complement the Australian School of Advanced Medicine ("ASAM"). ASAM is the first medical school in Australia to be linked to a private teaching hospital on a university campus and is located within MUH. ASAM offers advanced training for doctors, in surgery and medical research and brings together world class clinicians, researchers and medical educators to create an innovative training program with a focus on future trends in medicine.

The Government's decision to increase approved PET indications and the commitment by what will be a leading teaching and research hospital at MUH to install PET/CT scanners supports our strategy to develop an Australian radio-pharmacy footprint. Your directors have focused attention on the development of MUH and completion of the facilities is expected in the second half of 2009. We expect the commissioning of the production centre and for the imaging centre to be operational in early 2010.

OUTLOOK

The Company will continue to focus on developing its Molecular Imaging business. Completion of Cyclopharm's production facilities are expected during the second half of the 2009 calendar year. The production centre is expected to be operational in early 2010 with the imaging practice joint venture to be operational contemporaneously.

We expect the historical trend of stronger sales revenue and improved gross margins in the second half of 2009 to continue. We forecast profitability to be impacted by costs of arbitration in relation to the case against Clinquest Inc.

James McBrayer
Managing Director

Melbourne, 27 August 2009.

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 2009.

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 J S McBrayer	Managing Director (appointed 3 June 2008)
Mr J S Sharman	Non-Executive Director (elected 21 May 2009)
Mr H G Townsing	Non-Executive Director (resigned 27 February 2009)

In accordance with the Constitution all directors with the exception of Mr James McBrayer stood for election by its members at Annual General Meeting and rotate in accordance with the Company's Constitution.

Mr David Heaney joined the Board of Dromana Estate Limited (ASX: DMY), as a Non-Executive Director on 10 July 2009.

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.

OPERATING AND FINANCIAL REVIEW

Operating Results for the Half Year

For the reporting period the economic entity recorded a consolidated loss after tax attributable to members of $142,334 (2008: Profit after tax $143,671). The half year result was impacted by $0.42 m in costs incurred against Clinquest Inc. Clinquest Inc was engaged from 2000 to 2007 to obtain approval from the FDA to sell Technegas in the US. Cyclopharm have an outstanding claim for US $1.8m and a decision is expected in the second half.

SHARES ISSUED DURING THE YEAR

Long Term Incentive Plan

At the Annual General Meeting held on 21 May 2009, Shareholders by way of a special resolution approved the issue of 377,000 LTIP Plan shares to Mr James McBrayer. As at the date of this report the 377,000 LTIP shares have not been issued. The recent changes in proposed legislation relating to employee share schemes has resulted a level of uncertainty surrounding the potential tax issues from the said changes. As a consequence, and highlighted by the Chairman at the AGM, the LTIP shares will not be issued to Mr McBrayer if the new legislation results in unfavourable terms to Mr McBrayer. In this event where Mr McBrayer does not accept his bonus in LTIP shares, he has the right to receive his bonus in cash.

DIVIDENDS

No dividends were declared or paid during the half year ended 30 June 2009.

Directors' Report
Continued

ON MARKET BUY-BACK

The Company has not initiated an on market buy-back.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 29 July 2009, Cyclopharm announced its intention to enter into a joint venture to provide medical imaging services at Macquarie University Hospital. In principle, Cyclopharm has agreed to underwrite all finance requirements for the Joint Venture.

SIGNIFICANT EVENTS AFTER BALANCE DATE

In the opinion of the directors, no items, transactions or events have arisen of a material or unusual nature to affect the operations, results or state of affairs of the consolidated entity between the end of the financial period and the date of this report.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

Application to FDA to sell Technegas in the US

We expect to resubmit our application to sell Technegas in the US in 2010.

Arbitration

Clinquest Inc was engaged from 2000 to 2007 to obtain approval from the FDA to sell Technegas in the US. Cyclopharm have an outstanding claim for US $1.8m and a decision is expected in the second half.

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:

James McBrayer
Managing Director

Melbourne, 27 August 2009.

Russell Bedford
New South Wales

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Australia

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The Board of Directors
Cyclopharm Limited
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MELBOURNE NSW 3004

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

TO THE DIRECTORS OF CYCLOPHARM LIMITED

I declare that, to the best of my knowledge and belief, during the half year ended 30 June 2009 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

RUSSELL BEDFORD NSW
Chartered Accountants

GREGORY C RALPH, M.COM, FCA
Partner
Sydney, 27 August 2009

Consolidated Income Statement

for the half year ended 30 June 2009

	Notes	Consolidated 30 June 2009 $	30 June 2008 $
CONTINUING OPERATIONS			
Sales revenue		4,321,023	4,351,514
Finance revenue		53,646	20,000
Other revenue		373,795	-
Total Revenue		**4,748,464**	**4,371,514**
Cost of materials and manufacturing		(1,087,650)	(883,388)
Employee benefits expense		(1,542,795)	(1,566,636)
Advertising and promotion expense		(110,064)	(50,354)
Depreciation and amortisation expense		(226,936)	(151,856)
Freight and duty expense		(166,447)	(216,358)
Research and development expense		(17,238)	(8,949)
Administration expense		(1,506,229)	(952,427)
Other expenses		(70,645)	(59,261)
(Loss) / Profit before tax and finance costs		**20,460**	**482,285**
Finance costs		(69,092)	(133,375)
(Loss) / Profit before income tax		**(48,632)**	**348,910**
Income tax expense		(93,702)	(205,239)
Net profit / (loss) attributable to members of the parent		**(142,334)**	**143,671**
Earnings per share (cents per share)	4	**cents**	**cents**
-basic earnings per share for continuing operations		(0.08)	0.10
-basic earnings per share		(0.08)	0.10
-diluted earnings per share		(0.08)	0.10

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

Consolidated Balance Sheet

as at 30 June 2009

	Notes	Consolidated 30 June 2009 $	Consolidated 31 December 2008 $
Assets			
Current Assets			
Cash and cash equivalents		3,701,691	4,206,271
Trade and other receivables		2,836,965	4,727,077
Inventories		3,556,458	2,855,366
Other assets - prepayments		785,761	654,869
Total Current Assets		**10,880,875**	**12,443,583**
Non-current Assets			
Property, plant and equipment		3,050,647	2,725,834
Intangible assets		2,959,047	2,793,853
Deferred tax assets		-	-
Total Non-current Assets		**6,009,694**	**5,519,687**
Total Assets		**16,890,569**	**17,963,270**
Liabilities			
Current Liabilities			
Trade and other payables		1,309,596	1,561,023
Provisions		476,699	371,534
Financial liabilities	5	1,383,250	-
Tax liabilities		2,128	5,071
Total Current Liabilities		**3,171,673**	**1,937,628**
Non-current Liabilities			
Financial liabilities	5	1,350,000	2,733,250
Provisions		34,297	31,359
Deferred tax liabilities		147,043	50,232
Total Non-current Liabilities		**1,531,340**	**2,814,841**
Total Liabilities		**4,703,013**	**4,752,469**
Net Assets		**12,187,556**	**13,210,801**
Equity			
Contributed equity		11,088,912	11,126,408
Employee equity benefits reserve		180,831	143,689
Foreign currency translation reserve		(351,577)	528,980
Retained Profits		1,269,390	1,411,724
Total Equity		**12,187,556**	**13,210,801**

The Balance Sheet is to be read in conjunction with the accompanying notes to the Half Year Report.

Consolidated Cash Flow Statement

for the half year ended 30 June 2009

	Consolidated	
	30 June 2009	30 June 2008
	$	$
Operating activities		
Receipts from customers	6,541,228	5,532,280
Payments to suppliers and employees	(4,971,878)	(3,879,117)
Interest received	53,646	20,000
Borrowing costs paid	(69,092)	(133,375)
Income tax paid	-	(2,941)
Net cash flows from operating activities	**1,553,904**	**1,536,847**
Investing activities		
Purchase of property, plant and equipment	(990,630)	(2,010,884)
Payments for deferred expenditure	(187,298)	(374,710)
Net cash flows used in investing activities	**(1,177,928)**	**(2,385,594)**
Financing activities		
Proceeds from drawdown of borrowings	-	1,221,750
Loans to external entities	-	3,422
Net cash flows from financing activities	**-**	**1,225,172**
Net increase in cash and cash equivalents	**375,976**	**376,425**
Cash and cash equivalents		
at beginning of the period	**4,206,271**	**1,204,543**
net foreign exchange differences from translation	(880,556)	(109,220)
at end of the period	**3,701,691**	**1,471,748**

The Cash Flow Statement is to be read in conjunction with the accompanying notes to the Half Year Report.

Consolidated Statement of Changes in Equity

for the half year ended 30 June 2009

Consolidated	Share capital $	Other Contributed Equity $	Total Contributed Equity $	Accumulated Profits $	Foreign Currency Translation Reserve $	Employee Equity Benefits Reserve $	Total $
Balance at 1 January 2008	**13,349,739**	**(5,295,657)**	**8,054,082**	**(293,450)**	**(331,254)**	**73,666**	**7,503,044**
Cost of share based payments	-	-	-	-	-	49,978	49,978
Currency translation difference	-	-	-	-	(109,220)	-	(109,220)
Total income (expense) for the half year recognised directly in equity	-	-	-	-	(109,220)	49,978	(59,242)
Profit for the half year	-	-	-	143,671	-	-	143,671
Total income for the half year	**-**	**-**	**-**	**143,671**	**(109,220)**	**49,978**	**84,429**
Other	-	(34,497)	(34,497)	-	-	-	(34,497)
Balance at 30 June 2008	**13,349,739**	**(5,330,154)**	**8,019,585**	**(149,779)**	**(440,474)**	**123,644**	**7,552,976**
Balance at 1 January 2009	**16,422,065**	**(5,295,657)**	**11,126,408**	**1,411,724**	**528,980**	**143,689**	**13,210,801**
Cost of share based payments	-	-	-	-	-	37,142	37,142
Currency translation difference	-	-	-	-	(880,557)	-	(880,557)
Total income (expense) for the half year recognised directly in equity	-	-	-	-	(880,557)	37,142	(843,415)
Loss for the half year	-	-	-	(142,334)	-	-	(142,334)
Total income for the half year	**-**	**-**	**-**	**(142,334)**	**(880,557)**	**37,142**	**(985,749)**
Other	-	(37,496)	(37,496)	-	-	-	(37,496)
Balance at 30 June 2009	**16,422,065**	**(5,333,153)**	**11,088,912**	**1,269,390**	**(351,577)**	**180,831**	**12,187,556**

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

Notes to the Financial Statements

for the half year ended 30 June 2009

1. CORPORATE INFORMATION

The Half Year financial report of Cyclopharm Limited for the half year ended 30 June 2009 was authorised for issue with a resolution of the directors on the same date.

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 Director's Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The Half Year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards including *AASB 134 Interim Financial Reporting.* Compliance with Accounting Standards ensure that the financial statements and notes comply with International Financial Reporting Standards. The financial report has also been prepared on a historical cost basis.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the Half Year financial report be read in conjunction with the annual report for the year ended 31 December 2008 and considered together with any public announcements made by Cyclopharm Limited during the half year ended 30 June 2009 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The financial report is presented in Australian dollars.

The accounting policies adopted are consistent with those in prior reporting periods.

Notes
Continued

3. SEGMENT REPORTING

For the period ended 30 June 2009	Technegas $	Molecular Imaging $	Unallocated $	Consolidated Total $
Revenue				
Sales to external customers	4,321,023	-	-	4,321,023
Finance revenue	-	-	53,646	53,646
Total segment revenue	**4,321,023**	**-**	**53,646**	**4,374,669**
Result				
(Loss) / Profit before tax and finance costs	**314,975**	**(105,261)**	**(189,254)**	**20,460**
Finance costs	-	(270)	(68,822)	(69,092)
(Loss) before income tax	**314,975**	**(105,531)**	**(258,076)**	**(48,632)**
Income tax expense	(93,702)	-	-	(93,702)
Net loss for the period	**221,273**	**(105,531)**	**(258,076)**	**(142,334)**

For the period ended 30 June 2008	Technegas $	Molecular Imaging $	Unallocated $	Consolidated Total $
Revenue				
Sales to external customers	4,351,514	-	-	4,351,514
Finance revenue	-	-	20,000	20,000
Total segment revenue	**4,351,514**	**-**	**20,000**	**4,371,514**
Result				
(Loss) / Profit before tax and finance costs	**594,999**	**(116,783)**	**4,069**	**482,285**
Finance costs	-	(3,478)	(129,897)	(133,375)
Profit before income tax	**594,999**	**(120,261)**	**(125,828)**	**348,910**
Income tax expense	(205,239)	-	-	(205,239)
Net profit for the period	**389,760**	**(120,261)**	**(125,828)**	**143,671**

Notes
Continued

4. NET TANGIBLE ASSETS AND EARNINGS PER SHARE

Net Tangible Assets per share

	Consolidated	
	30 June 2009	31 December 2008
	$	$
Net assets per share	0.07	0.09
Net tangible assets per share	0.05	0.07
	Number	Number
Weighted average number of ordinary shares for net assets per share	171,012,616	141,876,726

Earnings per share

	Consolidated	
	30 June 2009	30 June 2008
	$	$
Net profit / (loss) attributable to equity holders of the parent	(142,334)	143,671
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	171,012,616	138,866,760
	cents	cents
- basic earnings per share for continuing operations	(0.08)	0.10
- basic earnings per share for discontinued operations	-	-
- basic earnings per share	(0.08)	0.10
- diluted earnings per share	(0.08)	0.10
Weighted average number of ordinary shares for basic earnings per share	171,012,616	138,866,760

Notes
Continued

5. FINANCIAL LIABILITIES

	Consolidated	
	30 June 2009	31 December 2008
	$	$
Current		
Bank loan - secured	1,383,250	-
Financial liabilities (current)	**1,383,250**	**-**
Non-current		
Bank loan - secured	1,350,000	2,733,230
Financial liabilities (non-current)	**1,350,000**	**2,733,230**
Total financial liabilities	**2,733,250**	**2,733,230**
Total facilities	6,450,000	6,450,000
Facilities used at reporting date	(2,733,250)	(2,733,250)
Facilities unused at reporting date	**3,716,750**	**3,716,750**

6. COMMITMENTS AND CONTINGENCIES

Commitments

	Consolidated	
	30 June 2009	31 December 2008
	$	$
The company has the following capital expenditure commitments contracted for property, plant and equipment:		
Not later than one year	4,741,448	1,615,000
Due later than 1 year & not later than 5 years	-	-
More than 5 years	-	-
Total	**4,741,448**	**1,615,000**

Cyclopet Pty Ltd ("Cyclopet"), a wholly owned subsidiary of Cyclopharm Limited will make payment of a further $0.70 m in relation to a contract with Baulderstone Hornibrook to complete the construction of the radiopharmacy bunker. Cyclopet has placed an order for a cyclotron and associated production tools with GE Healthcare for a cost of $4.04 m.

Notes
Continued

6. CONTINGENCIES (continued)

Contingent Assets
Clinquest Inc was engaged from 2000 to 2007 to obtain approval from the FDA to sell Technegas in the US. Cyclopharm have lodged an outstanding claim for US $1.8m and a decision is expected in the second half.

7. EVENTS AFTER THE BALANCE SHEET DATE

In the opinion of the directors, no items, transactions or events have arisen of a material or unusual nature to affect the operations, results or state of affairs of the consolidated entity between the end of the financial period and the date of this report.

8. RELATED PARTY DISCLOSURES

During the period payments of $43,500 (December 2008: $43,125) were made to VA Consulting Pty Ltd (an entity controlled by Mr John Sharman) in relation to his role as litigation case manager in the matter against Clinquest Inc.

9. PRIOR PERIOD ADJUSTMENTS

Adjustments to prior period comparatives have been made to recognise deferred tax assets arising from share issue costs (accounted for directly in equity) of $259,006, being a deferred tax asset and a corresponding credit to contributed equity in the Balance Sheet and a tax expense of $51,959 was recognised in retained profits to 31 December 2007.

For the 6 months ended 30 June 2008, $25,979 was recognised as a tax expense in the Income Statement. Net profit after tax was reduced from $169,651 to $143,671.

The comparatives have been amended in this financial report to reflect the above adjustments.

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 2009 and of their 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:

James McBrayer
Managing Director

Melbourne, 27 August 2009.

Russell Bedford
New South Wales

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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 balance sheet as at 30 June 2009, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility on the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 company's financial position as at 30 June 2009 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.

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 entities financial position as at 30 June 2009 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

GREGORY C RALPH M.Com., F.C.A.
Partner
Sydney, 27 August 2009

General Information

Directors
Vanda Gould
Non-Executive Chairman

James McBrayer
Managing Director

John Sharman
Non-Executive Director

David Heaney
Non-Executive Director

Company Secretary
William Richardson

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Dublin 1 Ireland

Cyclomedica Ireland
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Auditors
Russell Bedford NSW
Level 42, Suncorp Place
259 George Street
Sydney NSW 2000

Bankers
National Australia Bank
151 Rathdowne Street
Carlton VIC 3053

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

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