



ANNUAL GENERAL MEETING

6 July 2006



VITA LIFE SCIENCES

AGENDA

1. Welcome

2. Reports

- Chairman's introduction
- Executive Directors Report

3. Business

- Receiving the Resolutions in relation to the meeting

4. Question Time

5. Close

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Underlying Operating Performance 2005

(AUD \$ Million)	2005	2004	2003	2002
Sales from operating activities	21.6	22.8	23.2	14.1
Direct selling and operating expenses	(18.6)	(19.8)	(21.0)	(29.0)
Profit from operations	<u>3.0</u>	<u>3.0</u>	<u>2.2</u>	<u>(14.9)</u>
Legal	(1.0)	(1.3)	(1.3)	(2.8)
Provisions & write offs	(0.7)	(1.0)	(8.5)	(9.7)
Finance costs	(2.4)	(2.2)	(1.7)	(0.6)
Non operating expenses*	<u>0.9</u>	<u>(0.1)</u>	<u>(8.1)</u>	<u>(1.8)</u>
Profit before tax	(0.2)	(1.6)	(17.4)	(29.8)
*Non operating expenses consist of foreign exchange gains or loss, VHAP restructure costs, Pan recall costs, Other				



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Summary of cash flow

2005 Cash Movement	
AUD\$ Million	
Cash flow from operations	(0.4)
Cash flow from financing	1.3
Cash flow from investing	(0.3)
Movement in 2005 Cash Position	0.6



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Profit & Loss 2005

(AUD\$ Million)	Cyclopharm	VitaHealth	Corporate	VLS
Gross Sales	8.8	12.8	0.0	21.6
EBITDA	2.7	(0.8)	0.6	2.5
Audited PBT	2.3	(1.4)	(1.1)	(0.2)



CYCLOPHARM

Announcement – New COO & Director of Science

- We can announce that Dr Nabil Morcos will join Cyclopharm as Chief Operating Officer and Director of Science
- Dr Morcos has
 - B.A in Chemistry and Mathematics from Andrews University in the USA and
 - Ph.D Nuclear Chemistry / Radiochemistry, University of Arkansas
- Dr Morcos will head our venture into Molecular Imaging, Cyclotrons, and the production and distribution of radioactive isotopes

CYCLOPHARM

Announcement – New COO and Director of Science

Dr Morcos was the former head of Radiopharmaceutical Research at ANSTO and is

- a world expert in the production of radioactive isotopes and nuclear medicine
- credited with being the author / inventor of several patents
- has published more than 50 Scientific Articles
- has written a reference book and contributed to other published material

CYCLOPHARM

Announcement - New business initiative

- Cyclopharm will enter into the field of Molecular Imaging and the production of radioactive isotopes
- Cyclopharm has entered into a HOA to license new Technology from Cyclopharma and Thallis
 - first new Cyclotron developed in many years and we believe it to be a quantum advance in production methods

CYCLOPHARM

Announcement - New business initiative

- Cyclopharm aims to be a leading company within Nuclear Medicine
- In doing so, Cyclopharm will become
 - a world class radiopharmaceutical company with a suite of proprietary products
 - its Molecular Imaging division will be responsible for the production and distribution of PET biomarkers and equipment

CYCLOPHARM

Announcement – Corporate restructure

- Corporate restructure completed
- Offer to convert VLS Notes into Cyclopharm shares closed approximately three times oversubscribed
- 28.6 million shares in Cyclopharm were issued to Note holders at an average price of \$0.21 cents
- Cyclopharm has 106.6 million shares on issue
- Rights issue to purchase Cyclopharm shares to be completed before October 2006
- Cyclopharm to be listed on the ASX as soon as practicable

CYCLOPHARM

Industry Outlook - Nuclear Medicine

Experiencing strong growth world wide as new technologies and applications are introduced.

PET Imaging is the growth sector

- strong growth in USA and France
- emerging growth in Australia, Europe and UK

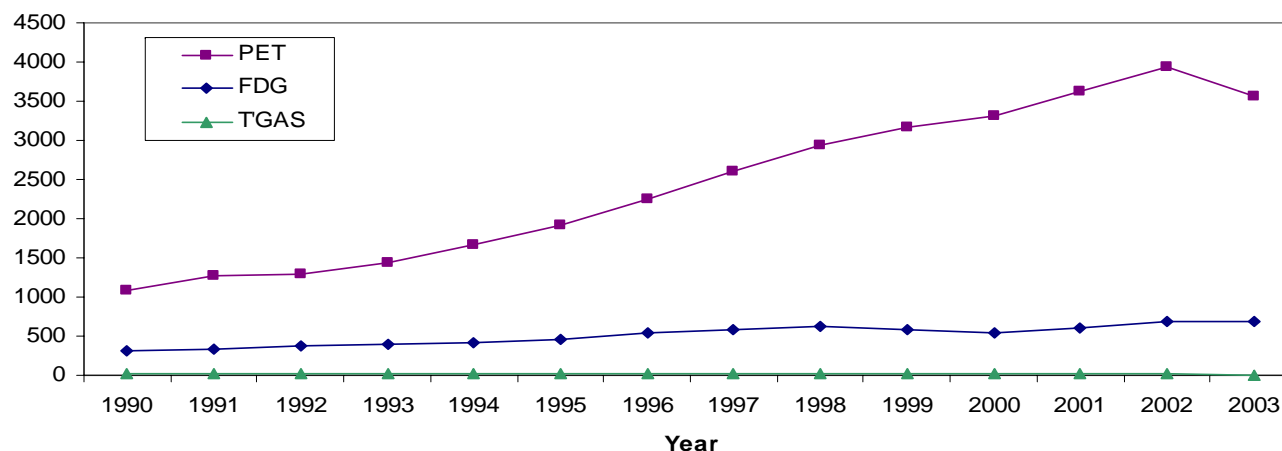
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Industry Outlook of Nuclear Medicine

The growth potential for Cyclopharm's two business units, Molecular Imaging and Technegas, is reflected in the level of professional interest in their respective radiopharmaceutical sub-sectors:

- Medical publications written on:
- Technegas averages 10 – 20 papers per year;
- FDG averages 600 – 700 papers per year; and
- PET averages 3,000 – 3,500 papers per year

Medical Publications



CYCLOPHARM – Molecular Imaging

What are PET Radiopharmaceuticals?

PET radiopharmaceuticals are difficult to produce and have a short half life, eg FDG 110 minutes. They require just in time delivery to staff

PET radiopharmaceuticals indications

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

*Not approved by TGA, Australia

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Industry Outlook – Radiopharmaceuticals in Australia

The market for FDG and other PET Radiopharmaceuticals is poised for 5 – 7 years of exponential growth. Australian Government is cautiously accepting PET for the diagnosis and monitoring of cancer.

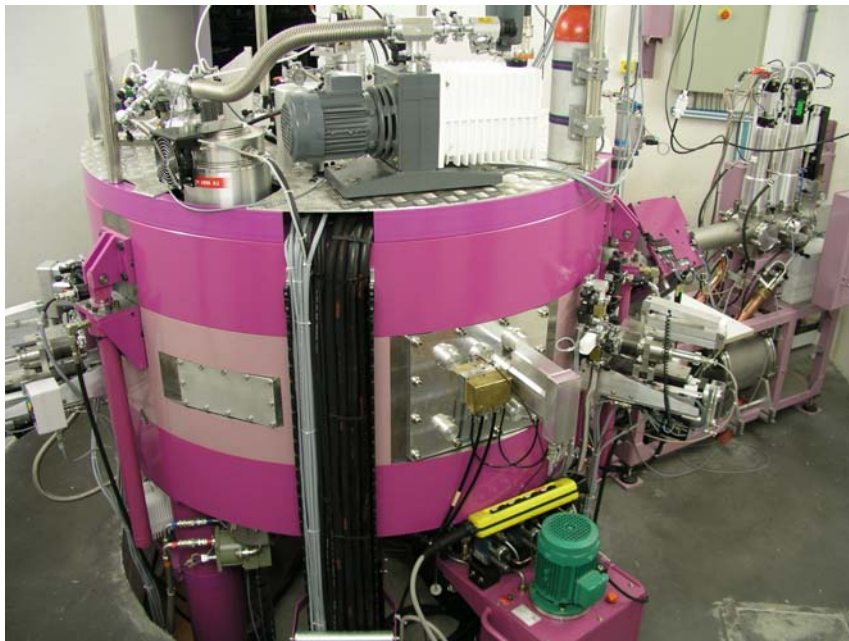
- 18 - 20 PET Cameras to be installed by 2007/08
- one PET scanner / 1,000,000 population.
- CT Scanners were originally controlled at around 1 / 1,000,000 population. Now 1 / 250,000 population
- FDG is only one PET tracer. 3 – 5 new PET tracers are emerging.
- Government reimbursement for FDG is being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

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Molecular Imaging – components of a central pharmacy

Cyclopharm has entered into a Heads of Agreement to license sophisticated proprietary hardware to facilitate high volume dose production, ie up to 100 doses per day.

Cyclotron



Synthesiser

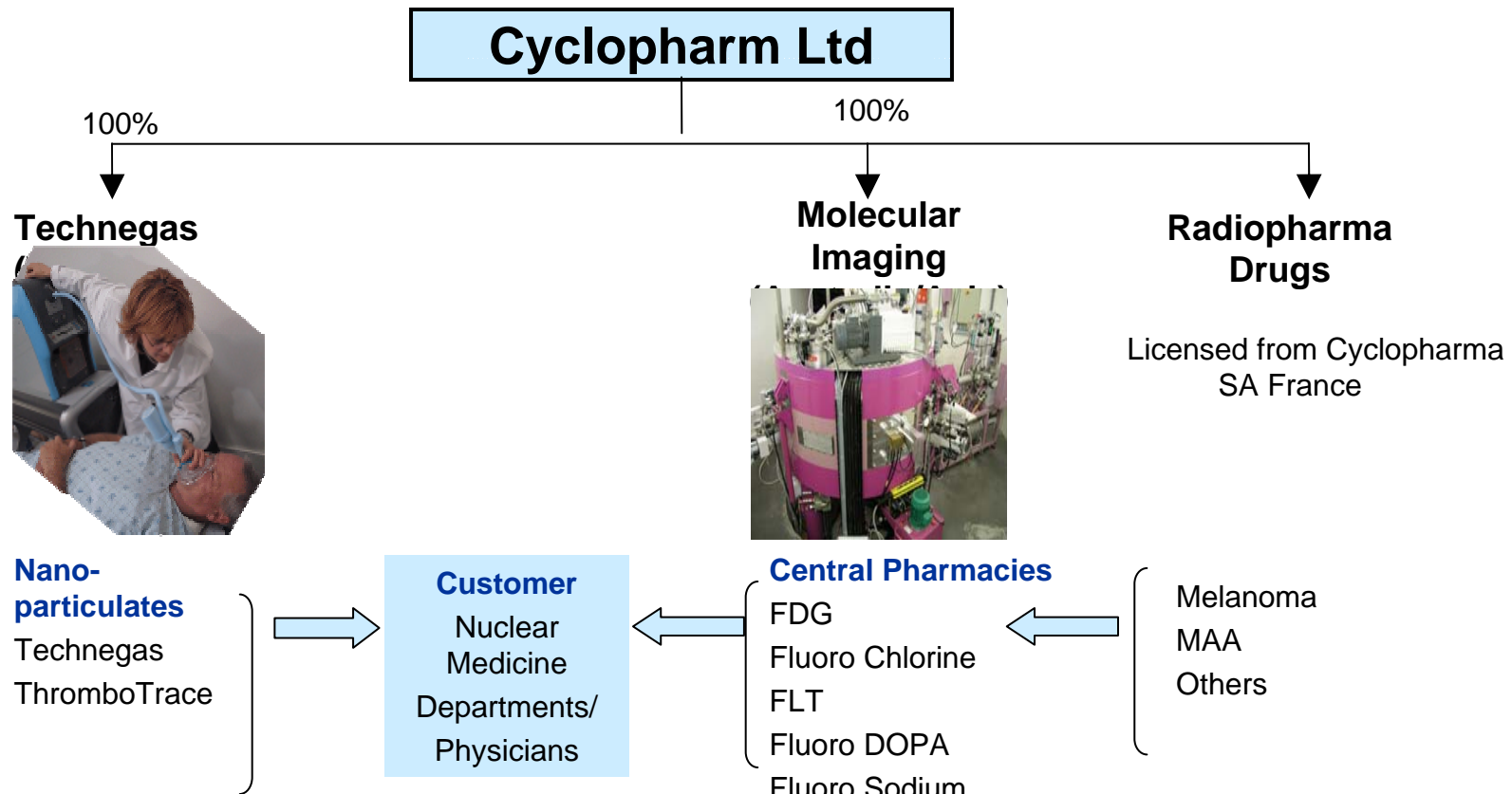


Dispenser



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Industry Structure



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Outlook - Technegas

- New Technegas Plus launched in fourth quarter 2005
- Scientific advisory board establishment in process
- Strong pre orders for Technegas Plus (30 already delivered)
- New software being developed by leading software house to increase market acceptance of Technegas
- Growth to continue in China, Canada and Latin America
- New distribution agreement in France should add circa \$1.0 million to the PBT line for 2007
- Full benefits of restructured group expected in 2006.
- NDA on track for 2006

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Outlook - Technegas

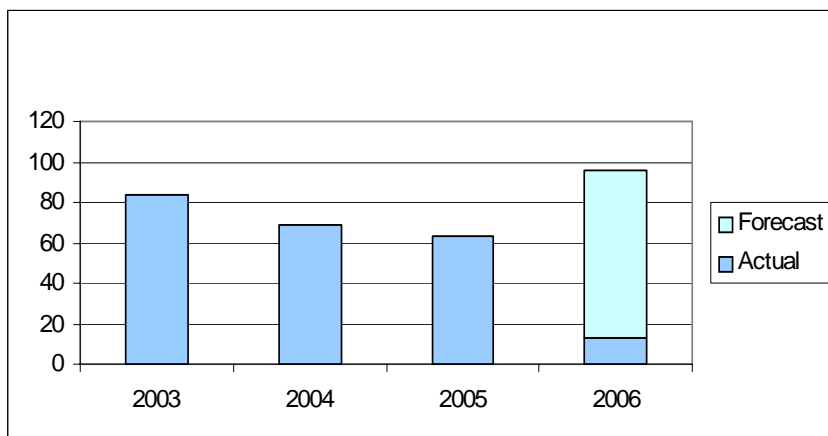
- Strong growth budgeted for 2006
 - refurbished generators
- Aggressive strategy to place refurbished generators in UK and Germany
- Strong cash flow expected
- Outlook is very positive

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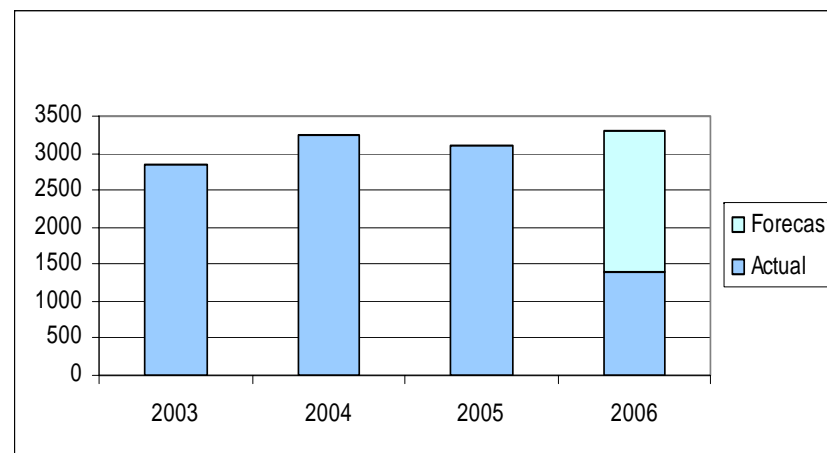
Underlying Performance 2005

(AUD\$ Million)	2003	2004	2005
Sales	7.7	8.7	8.8
PBIT	1.8	2.8	2.4

Generator Sales & Placements



PAS Unit Sales



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Underlying Performance 2005

- Revenue is up
- Growth in new markets – China and Canada
 - Canadian PAS growth is 65%, and China PAS growth is 33% (yoy)
- Operating costs down yoy
- Total costs are up due to one off expenses e.g. investment in NDA (written off), new tooling and renewal of patents
- Sales of generators effected by delay in Technegas Plus
- Sales of PAS slightly down on last year

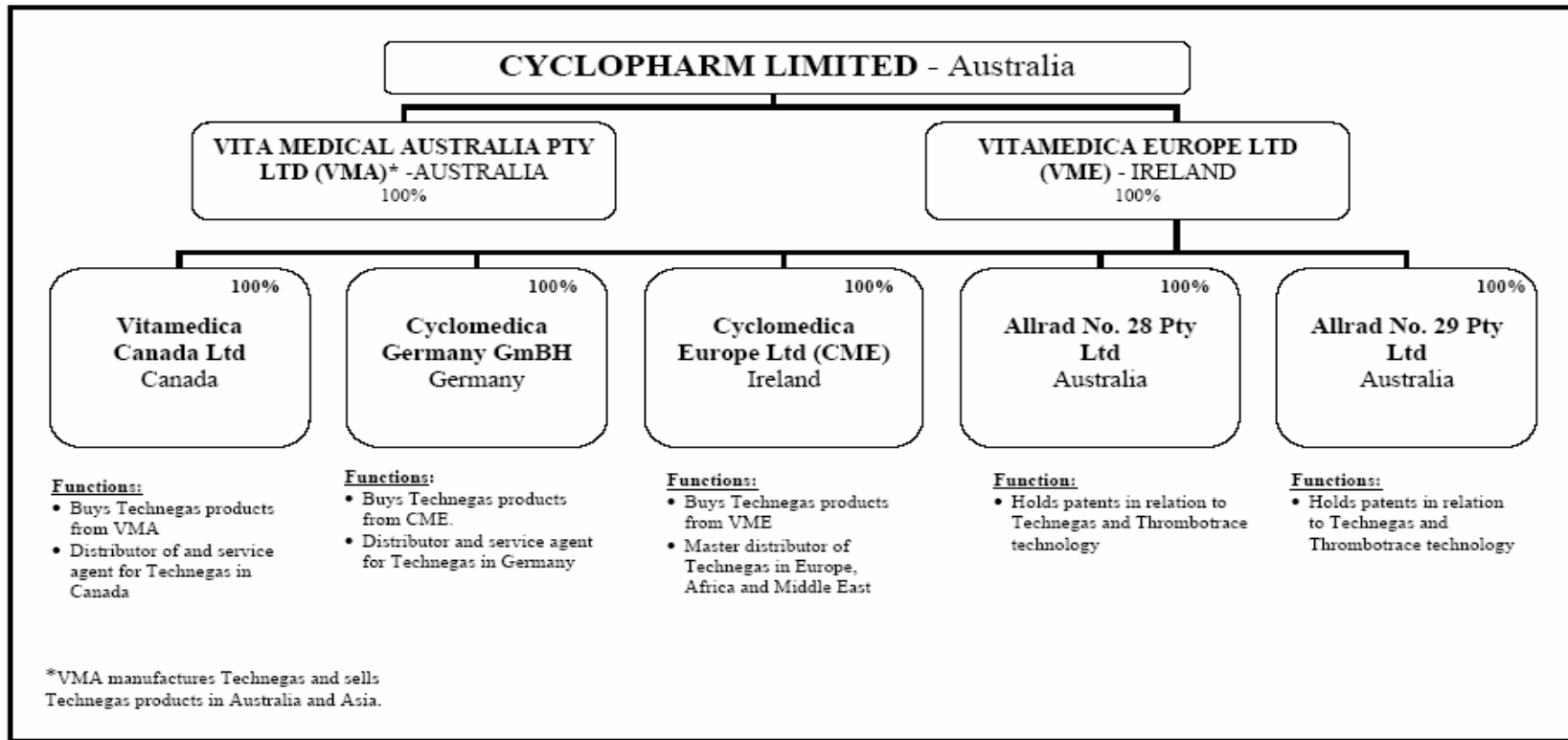
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Technegas Plus



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Pro forma group structure



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New Drug Application

- Commenced the trials in December 2005.
- 3 Canadian hospitals signed up
 - Toronto General, Memorial University, CDHA Halifax
- 1 Australian hospital signed to perform additional studies
- Program expected for completion in 2006 early 2007
 - Depends on patient collection / participation rates



Vita Health

Announcement

We are pleased to announce that for the first time in many years, Vita Health has recorded 4 consecutive quarters of profits (July 05 to June 06).

Vita Health

Highlights 2005

Singapore market continues to improve

- Initiatives in Malaysia beginning to show returns
- Heavy investment and focus on Australia, to make Herbs of Gold a leading player in the Australian market
- Significant investment into new product development in all markets
- 49 new products either developed, launched, subject to regulatory approval. Already 12 products launched in existing and new markets

Vita Health

Highlights 2005

Overall result an improvement on 2004

- Sales slightly down on last year – deliberate review of trading partners
- Operating costs lower than 2004
- Complete review of every product in every country by margin and market share completed
- Vita Health continues to face challenges – staffing – attracting and retaining quality people

Vita Health

Initiative to improve business going forward

- Improve supply chain and inventory lifecycle
- Aggressively recruit product development team
- New sets of Standard Group Operating Policies and Procedures – implemented.
- Diversify from traditional distribution channels
- Set up direct sales channels - corporate, organizations and individuals, credit cards, etc.
- Focus on export markets
- Promote internet sales via Vita Health Family Loyalty Program.

Vita Health

The future focus

- Rebuilding our brand
- Introducing new products
- Opening new markets – Thailand,
- Changes to our business model
- Aggressive negotiations with trading partners
- New distribution channels
- Heavy investment in product development
- Two new business initiatives well underway
- Heavy investment in people -recruiting senior management for growth

Vita Health

Underlying Operating Performance 2005

(AUD \$ 000)	2005	2004	2003
Sales			
Malaysia	3.9	5.7	6.0
Singapore	3.2	4.4	5.1
Australia	<u>5.7</u>	<u>4.9</u>	<u>4.4</u>
	12.8	15.0	15.5
Direct selling costs	(9.2)	(10.6)	(9.5)
Operating expenses	<u>(5.0)</u>	<u>(6.6)</u>	<u>(11.9)</u>
Profit before tax	(1.4)	(2.0)	(5.9)

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Legal update

- The company continues to defend its position re Nordion, case heard in May, decision expected in September / October 2006
- The company settled with Kate Fraser
- The company continues its suit against Arthur Anderson
- Legal actions substantially cleaned up.
- **TIME TO MOVE FORWARD**



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Unsecured Convertible Notes - Update

- 19.2 million Notes on issue at April 2006
- 17.6 million Notes applied for conversion into Cyclopharm shares (approximately 3 times oversubscribed)
- 6.0 million Notes were converted into 28.6 million Cyclopharm shares
- 0.52 million Notes were converted into 2.08 million VLS share
- 11.4 million Notes are outstanding as of 30 June 2006
- 5.7 million Notes expected to be repaid during July 2006
- 5.7 million balance expected to be repaid at the time of listing (expected during 2006)

NOTES WILL BE FULLY REPAYED





Questions



Thank You