



AGM

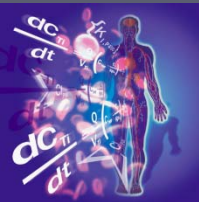
14 July 2009

Dr A.D. Baxter

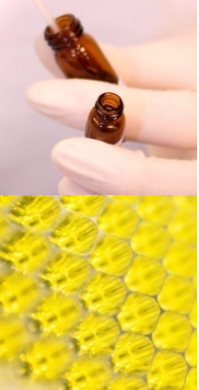
Chief Executive Officer



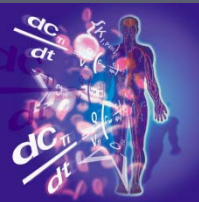
Provider of ADMET/PK solutions



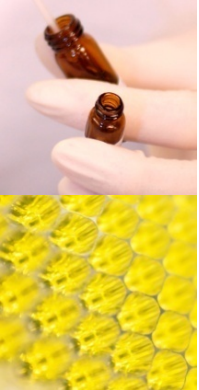
Company Overview



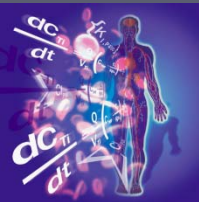
- Cyprotex provides outsourced ADMET (Absorption, Distribution, Metabolism, Excretion, & Toxicity) screening of drug candidates for pharmaceutical & biotech clients
- Cyprotex also provides predictive PK (pharmacokinetic) simulations based on proprietary software



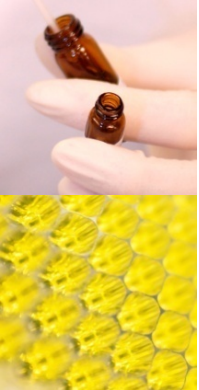
Market Review



- 85% of ADMET tests are performed internally by pharmaceutical & biotech companies
- The addressable market for outsourced ADMET is estimated at \$700m and is growing c.20% p.a.
- Growth drivers include
 - Industry moving to perform ADMET earlier in drug discovery to reduce attrition in later clinical trials
 - Pharmaceutical industry now embracing greater outsourcing in all areas
 - First signs of mid-tier Pharma switching from overflow outsourcing of ADMET to strategic partnerships to reduce internal overhead
 - Agrichem now screening chemicals to ensure they comply with regulatory body rules



Cyprotex Market Positioning



- ADMET is traditionally performed manually – this is expensive, time consuming & often low quality
- Cyprotex has a unique offering that is currently unchallenged: the ability to offer fast, high quality, high volume ADMET screening at low cost. This is achieved by:
 - Custom built automated tools
 - Highly refined internal processes
 - Unique data handling software

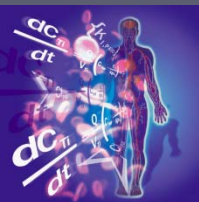


Review of My First Year



Provider of ADMET/PK solutions

Service Offering - AGM 2008



Positives

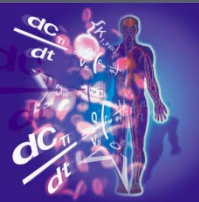
- Diverse range of services
- Good customer retention
- Excellent customer satisfaction for services offered
- Focus on delivery of high quality services
- Excellent gross margins (~80%)... incremental sales quickly convert to cash

Issues

- Offering is a little 'tired'
- Lack of resources has prevented the launch of new products & services

Action Points

- Introduce new offerings (e.g. new transporters, better Metabolite ID); after consultation with clients



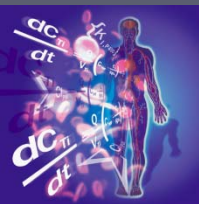
Service Offering - AGM 2009



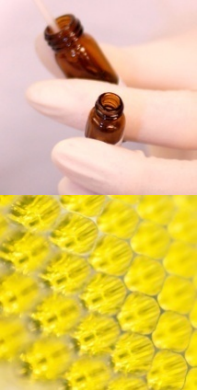
Results

- Enhanced metabolite profiling service provided via our state of the art QTRAP® 5500 LC-MS/MS (launched February 2009). Cost inc. new labs £350K. Revenues since launch - £120K.
- UGT1A1 inhibition for assessing drug-drug interactions (launched April 2009)
- CYP2C8 inhibition (launched Oct 2008)

“Cyprotex is committed to investing in new products and services including state of the art equipment and technology”



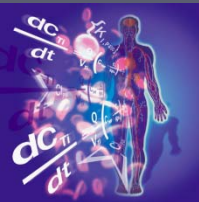
Service Offering - AGM 2009



Results

- Secure web portal, Cloe® Gateway, for access to Cyprotex services (launched May 2009)
- New enhanced pharmacokinetic prediction product, Cloe® PK version 2.1 (launched May 2009)
- New Cloe Predict HIA product for the prediction of human intestinal absorption (launched July 2009)

“Cyprotex is committed to successfully commercialising its predictive PK software – in which much has been previously invested”



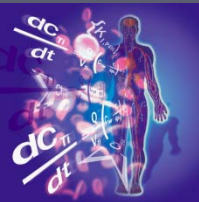
Service Offering - AGM 2009



Results

- New assays under current development:
 - mRNA assessment for CYP induction
 - Blood to plasma ratio
 - Bioanalytical method development and validation
 - Reactive metabolite screening
 - Awarded grant in Q2 2009 (£100K) from NWDA for further research into pharmacokinetic prediction

“Our decision to develop new products is based on a combination of new regulatory requirements, customer demand, competitor analysis and feedback from surveys”



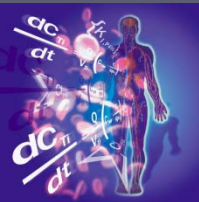
Cyprotex Marketing



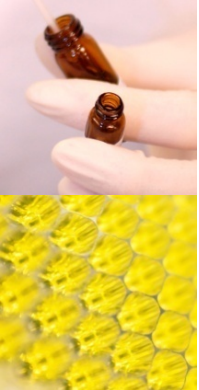
Results

- Current Marketing Activities
 - Launched new company website
 - Improving search engine optimisation process
 - Enhanced 'standard' and 'strategic' sales presentations
 - Introduced web seminars to broadcast to large audiences
 - Holding Cyprotex Drug Discovery Workshop in August 2009
 - Accessing additional third party databases
 - Expanding our presence at conferences and events (eg Bio2009)
 - Increasing lead generation activity

“Cyprotex are enhancing their marketing activities to improve brand recognition”



Customers & Sales - AGM 2008

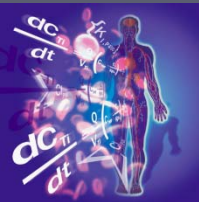


Positives

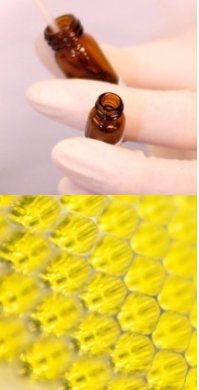
- Large customer base (184 MSA's) provides 'core' revenue of c.£3.3m per year and growing
- Recent signing of large strategic deal with mid sized European pharma (started May 2008) proceeding well – expected revenue > £1.5m per year

Issues

- New client is now a material % of revenues
- Lack of revenue visibility month to month
- About 35% of business is 'overflow' work from 'big' pharma / biotech
- Low penetration of European market
- No formal account management in place
- Lack of commercial focus to bring in new customers
- Too much reliance on existing customers
- New sales team and no Commercial Head
- Lack of Scientist input in sales process

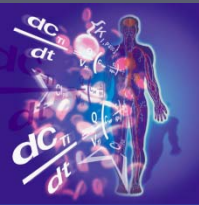


Customers & Sales - AGM 2008

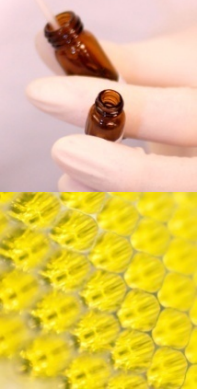


Action Points

- Exceed expectations for 2008 revenues (budget for 2008 is £4.7m)
- Hire a Chief Commercial Officer to lead sales team (already identified)
- Greater focus on business development of new customers
- Improve account management process
- Reduce reliance on 'overflow' work
- Secure 2 more large 'strategic' deals
- Secure more 'collaborative' deals
- Significant investment / improvement in marketing (stands, literature, training)
- Target European pharma / biotech / Agrichem more actively
- Training of scientists to support business development activity

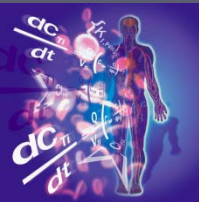


Customers & Sales-AGM 2009

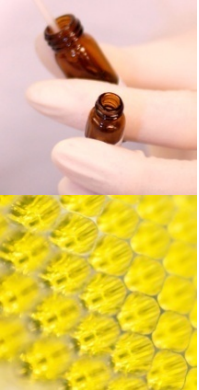


Results

- Exceeded expectations for 2008 revenues - £5.2M (+£0.5m)
- Gross margins increased to 86%
- Simon Bury hired in May 2009 as CCO - ex Scottish Biomedical and Pharmacopeia
- Formal account management now in place (Salesforce - visit reports, accounting by territory)
- Business Development is now the focus for new business
- Changes in BD Team made
- Significant investment in marketing (website, trade stands, literature, staff training) made
- In 2009 we have reduced our reliance on our leading customer and increased the revenues from our second to fifth leading customers
- Strategic targeting of European pharma and Agrichem businesses



Staff – AGM 2008



Positives

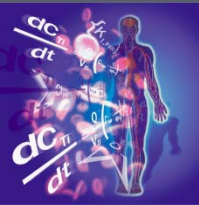
- Highly committed and talented workforce
- Key staff have been with CRX for over 6 years
- Excellent retention rate
- Relative ease of recruitment of new staff
- Macclesfield is in a pharma (AZ) hub within the larger Manchester area
- Half year (Jan - June 08) results slightly ahead of expectations.
- High operational gearing
- Company has been operating profitably since April 2008 (Non- recurring items and re-investment excluded)
- Management positive to meet or exceed budgeted sales for year (£4.7m)

Issues

- Career development for exceptional staff
- Attracting specialist staff to Macclesfield
- Limited capital for investment in sales & services or contingency for unexpected problems

Action Points

- Career development plans will be implemented for all staff
- £1 million fund raising has been arranged by the major shareholders



Finance – AGM 2009

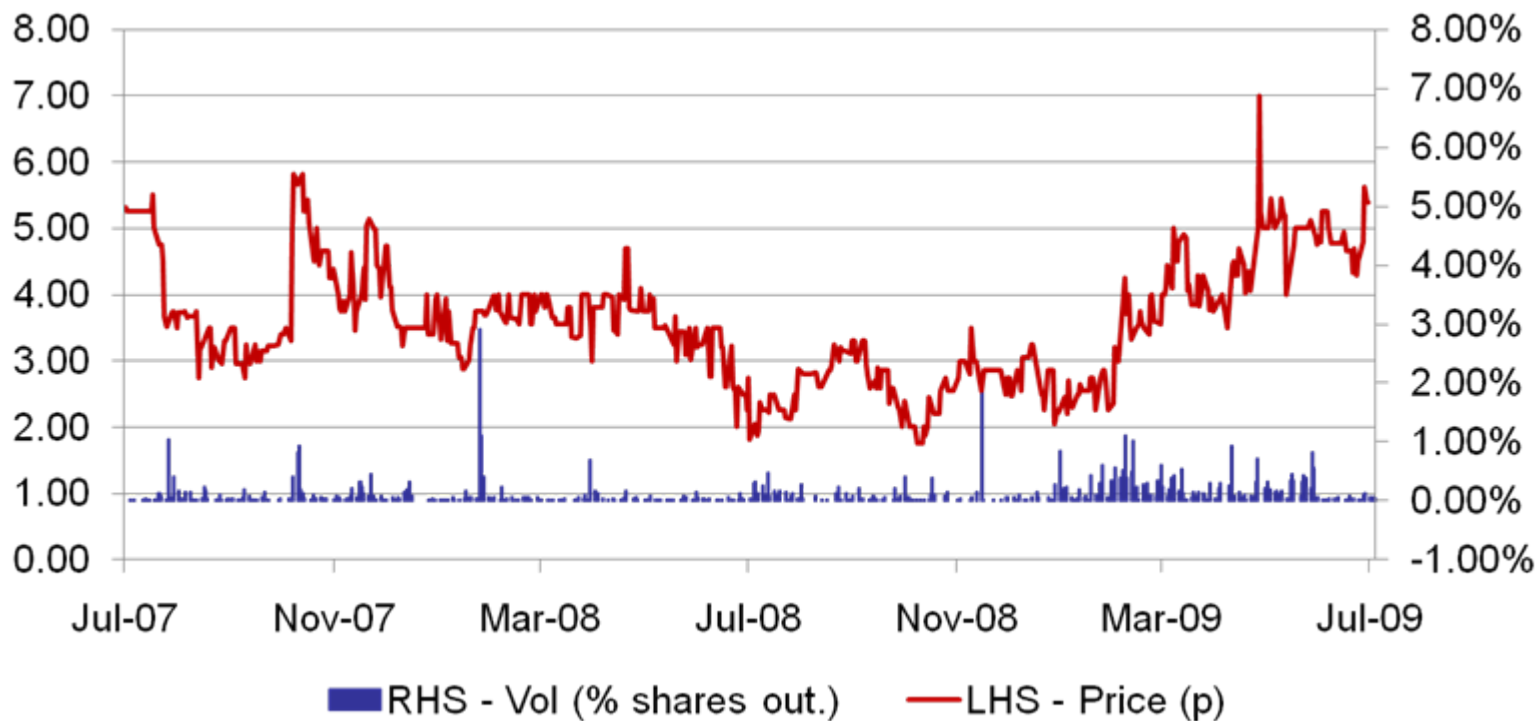


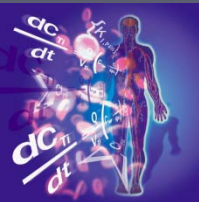
Results

- £1M fundraising completed August 2008
- 2008 Full results exceeded expectations at £5.2M turnover and £540K profit after tax
- H1 2009 is improved over H1 2008 despite some difficulties
- Company remains cash generative and has over £1.7M in the bank

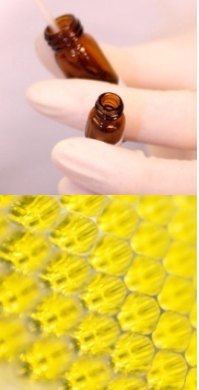


Trading Performance





Board of Directors – AGM 2009

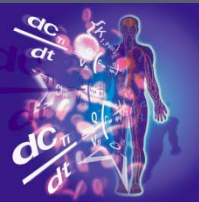


Changes

- Mr Steve Harris replaced Mr Nikolas Sofronis as Chairman. Mr Sofronis subsequently resigned as NED.
- Russell Gibbs (CFO) stood down and was replaced by Mr John Dootson
- David Evans stood down as NED

New Board

- Steve Harris (Chairman)
- Tony Baxter (CEO)
- John Dootson (CFO)
- Mark Warburton attends Board meetings as Company Secretary



Investor Communications – AGM 2008



Positives

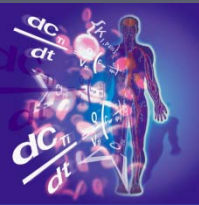
- Large shareholders are close to the company and supportive of new impetus

Issues

- Limited news flow to market
- Lack of broker research
- Website gossip

Action Points

- Quarterly update dial-in calls for all investors
- Increased institutional visits to increase demand

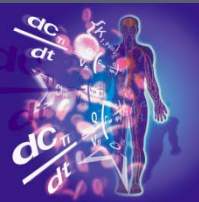


Investor Communications – AGM 2009

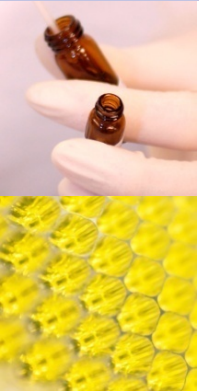


Results

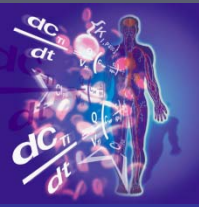
- Financial PR improved by hiring Financial Dynamics
- Nominated Advisor changed to Noble Group
- Improved financial coverage in the markets
- Quarterly update by dial-in instituted
- Increased institutional visits made



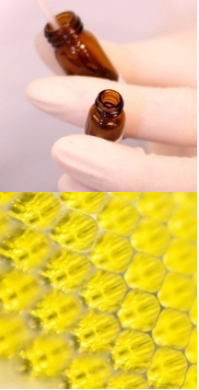
Plans for Growth in 2009 / 2010



- CEO's vision and strategy for growth scripted and agreed by Board and main investors
- Growth will come from improving Business Development with current and new customers with our service offerings
- We will also grow by implementing new service offerings in both ADME and toxicology
- We have identified three main areas for M&A activity: toxicology screening services, predictive PK / toxicology and medicinal chemistry
- We have engaged with 4 potential acquisition partners in the last 12 months.

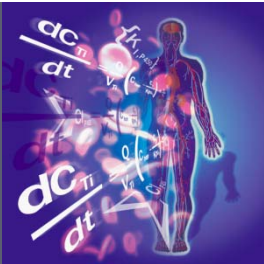


Summary



- We have demonstrated that there is a highly significant commercial opportunity for Cyprotex in its current, addressable, market
- Increased and improved Business Development activity is starting to yield benefits
- We have significantly increased our range and quality of service offerings in both screening and Predictive PK
- We have made changes to Board and Management team as promised
- We have improved and will continue to improve investor/shareholder communications
- We will focus on growth and cash generation in 2009/10

You are always welcome
to visit our laboratories and
talk to our scientists



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