

## Sights on defence, commercial textiles

A company commercialising US defence force technology says it's close to locking in contracts.

Profile by LOUIS WHITE

### Alexium International Group (ASX: AJX)

Share price (23 Feb)	9 cents
12-mth range	10-21 cents
Market cap	\$12.41m
Net cash (June 2010)	\$3.30m



Alexium has signed a deal with a key US textile player to provide the technology found in personal protective gear worn by pit lane crews in the NASCAR

Source: Alexium

Alexium International Group (ASX: AJX) is Perth-based and listed in Australia and in Europe but its operational focus is the US where it will help develop new textiles and advanced materials for military and commercial applications using its reactive surface treatment technology.

Alexium, which is also listed on the Frankfurt Stock Exchange, holds exclusive global commercial rights to reactive surface treatment (RST), a materials technology process first developed by the US defence department. The US Air Force holds the original US patent but Alexium is the exclusive licensee of this patent and owns the rights for the rest of the world.

The technology uses commercially available chemicals, minimal energy and no harmful solvents. It allows multiple functions to be applied to fabrics in a single treatment, meaning it can replace multiple energy and chemically intensive treatments.

It uses microwave energy to bind chemical compounds to surfaces allowing the treated material to become water and oil proof, flame retardant, antimicrobial and non-stick as well as providing UV, chemical and biological agent protection.

Alexium is targeting multibillion-dollar opportunities in military textiles. It is also working with technical textile producers and other priorities include the treatment of glass, polycarbonates and paints to enhance and expand their properties and functionality.

The US defence department first developed the technology. It then handed over commercialisation to Alexium. More than \$30 million has been spent developing RST.

Alexium's corporate office is in Perth and its main facility is in South Carolina.

"Because we are working closely with the US Department of Defence it made sense to set up there. We get state and local tax credits, sales tax exemptions and equipment gains," says Alexium chairman Gavin Rezos.

Alexium is working with the US Air Force to deliver a shell fabric suitable for chemical, biological, radiological and nuclear suits. It is in talks for a similar contract with the DoD.

"The technology is very advanced," Rezos says.

**"The US Defence Force spends \$70 billion a month so money is no object. Once we have our agreements sorted with them we will look at more contracts in Europe"**

*Gavin Rezos, chairman*

"The US Defence Force spends \$70 billion a month so money is no object. Once we have our agreements sorted with them we will look at more contracts in Europe. We are already talking to several companies in the textile business.

"We have also just recently agreed commercial terms with leading US textile manufacturer, SSM Industries, to supply the technology used in NASCAR's personal protection apparel."

Alexium was the winner of the 2009 World Best Technology Showcase.

"We are increasingly gathering awareness around the world and once we lock away a few contracts, our share price will rise," Rezos says.

Rezos is no stranger to start-ups. He was founding CEO of pSivida, a bio-nanotechnology company which he helped grow from a \$1 million start to a peak capitalization of about \$350 million between 2000 and 2006, being the best performing stock on the ASX for the 2004 financial year. 