



# Alexium International Group

Jan 19<sup>th</sup> 2012

## Alexium International Group begins commercialisation of its fire retardant nylon treatment

Alexium International Group (ASX: AJX) has begun the commercial roll-out of its flame retardant, oil/water repellent nylon, which has met key technical milestones for flame retardancy, water repellency, and durability.

The company is aiming to address demand from the U.S. military, which currently has 1.4 million soldiers serving on active duty and 800,000 soldiers on reserve duty, as well as commercial customers in the U.S. and abroad.

Significantly, the company anticipates a combined market demand of at least 4 million linear yards per year, with high profit margin potential.

Chief operating officer Stefan Susta said, "We clearly see where our FR treatments can make an impact in the marketplace.

"It's a revolutionary approach and very different from any other FR treatment. After transitioning the technology to licensees for nylon, we will be exploring applications on other synthetic fabrics and blends."

The company now plans to begin larger demonstration runs for interested partners and enter into certification testing for military and commercial customers.

In the coming months, Alexium will be negotiating licence agreements with partners to deliver flame retardant nylon treatment capabilities to fabric producing partners.

Susta told Proactive Investors today Alexium is currently in a number of discussions with potential partners and the company is seeking partnerships in other geographic locations for certain applications with several commercial partners that manufacture and supply the fabric.

"There's a significant market opportunity that we're chasing and I think we're extremely close in applying the technology that we've developed here in translating it to other markets as well that use nylon not just for military apparel," he said.

The eco-friendly flame retardant treatment is based on a new flame retardant mechanism that Alexium has discovered and developed for nylon fabrics.

The nylon treatment offers flame retardancy by the formation of a protective nanocomposite char layer.

This char layer also prevents any dripping or melting, which is characteristic of many synthetic flame retardant fabrics.

Notably, this performance is provided without using halogenated chemicals which are under increased scrutiny in the U.S. and Europe because of their potential impact to the environment and public health.

While heavy back coatings are currently available for rendering nylon flame retardant, they have limited application due to their high weight and impermeability.

**Price:** A\$0.09

**Market Cap:** A\$8.02M

### 1 Year Share Price Graph



### Share Information

**Code:** AJX

**Listing:** ASX

**Sector:** Technology Hardware & Equipment

**Website:** alexiuminternational.com

### Company Synopsis:

*Alexium International Group (ASX: AJX) was founded to commercialise a reactive surface treatment process originally developed by the U. S. Air Force. The company acquired the technology from the U. S. Department of Defense to produce solutions for commercial and military customers.*

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Due to the inherent advantages over other fibres, nylon remains the top choice for many outdoor apparel systems, including the cold weather clothing systems, which are issued to each core soldier in the U.S. military.

Susta said this was just one of several initiatives Alexium was working on. "We are working on commercial roll out of ballistic fabric treatments for repellency. Those are high end fabrics used in a number of locations and for different applications," he said.

"We are working on a number of things, some also non-textile related and we will be moving into some of those applications as well."

Alexium's Reactive Surface Treatment (RST) technology, which combines microwave curing with novel chemistry, is the basis for this new topical fabric treatment.

Earlier this month Alexium signed a new Cooperative Research and Development Agreement with the U.S. Air Force Research Laboratory in Florida to continue to develop and commercialise the patented RST technology.

RST is a process, developed initially by the U.S. Department of Defense, which allows for the surface modification and attachment of nanoparticles or multiple chemical functional groups to surfaces or substrates to provide functions such as water proofing, oil proofing, anti-microbial, non-stick and UV protection.

The collaboration is expected to result in greater soldier protection from chemical and biological threats, and improved materials used in military and commercial applications.

## Alexium Increases Investor Reach

Last week Alexium began trading on the OTC-QX, the United States' third most traded market after the NYSE and NASDAQ, under the ticker AXXIY.

OTC-QX is one of three OTC Markets Group platforms which in total trade over 10,000 securities with an aggregate market capitalisation exceeding US\$10 trillion.

## Alexium Attractively Valued: Broker

Being in the initial phase of corporate development Alexium is valued lightly by the market, however, a broker has recently placed a price target of \$0.35 per share on the company, which offers investors a potential upside of 366% based on the current share price of \$0.075.

The valuation is based on Alexium's improved prospects with a patent grant in Singapore for its RST technology and an additional purchase order from the U.S. Department of Defense that further strengthens strong revenue potential from Defense deals.

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