

Rule 4.3A

Appendix 4E

Preliminary final report

Name of entity:

Alexium International Group Limited

ABN or equivalent company reference:

91 064 820 408

Reporting period:

Year ended 30 June 2013

Previous corresponding period:

Year ended 30 June 2012

2. Results for announcement to the market

				\$A
2.1	Revenue from ordinary activities	up	102%	to 487,258
2.2	Loss from ordinary activities for the period after tax attributable to members	down	5%	to (2,599,464)
2.3	Net loss for the period attributable to members	down	5%	to (2,599,464)
2.4	Dividends		Amount per security	Franked amount per security
	Final dividend		Nil	N/A
	Interim dividend		Nil	N/A
2.5	Record date for determining entitlements to the dividends	N/A		
2.6	Brief explanation of any of the figures reported above to enable the figures to be understood:			
	<p>The Group's net loss attributable to members of the Company for the financial year ended 30 June 2013 was \$2,599,464 (2012: \$2,722,983). The increase in income is due to both US Department of Defence Purchase Orders and receipt of initial monthly payments under the Duro Licensing Agreement.</p>			

3. Consolidated Statement of Comprehensive Income

	Current Period 2013 \$	Previous Corresponding Period 2012 \$
Revenues from continuing operations	298,812	197,147
Other Income	188,446	44,385
Cost of Goods Sold	(158,187)	(128,470)
Administrative Expenses	(1,000,376)	(932,101)
Employee benefits expense	(1,038,074)	(955,868)
Interest and Amortisation of Convertible Notes	(194,543)	-
Depreciation and Amortisation Expenses	(838,143)	(812,785)
Impairment	-	(101,917)
Share-Based Payments	(61,084)	(237,059)
Loss before income tax from continuing operations	(2,803,149)	(2,926,668)
Income tax (expense) / benefit	203,685	203,685
Loss after income tax expense from continuing operations	(2,599,464)	(2,722,983)
Attributable to:		
Members of the Parent Company	(2,599,464)	(2,722,983)
	(2,599,464)	(2,722,983)
Net exchange difference on translation of financial report of foreign controlled entity	(124,512)	(11,464)
Other comprehensive income	-	-
Total comprehensive income	(2,723,976)	(2,734,447)
Basic loss per share (cents per share)	(1.74)	(2.11)
Diluted loss per share (cents per share)	(1.94)	(2.11)

4. Statement of Financial Position

	Current Period 30 June 2013 \$	Previous Corresponding Period 30 June 2012 \$
Current Assets		
Cash and cash equivalents	1,163,231	906,658
Trade and other receivables	22,566	106,649
Other current assets	96,404	55,252
Total Current Assets	1,282,201	1,068,559
Non-Current Assets		
Other financial assets	4,483	4,035
Property, plant and equipment	293,111	341,098
Intangible assets	9,679,524	10,332,142
Total Non-Current Assets	9,977,118	10,677,275
Total Assets	11,259,319	11,745,834
Current Liabilities		
Trade and other payables	128,228	101,007
Provisions	32,986	18,237
Other – deferred income	-	65,562
Total Current Liabilities	161,214	184,806
Non-Current Liabilities		
Convertible Notes	1,637,038	-
Deferred tax liability	2,783,693	2,987,377
Other – deferred income		
Total Non-Current Liabilities	4,420,731	2,987,377
Total Liabilities	4,581,945	3,172,183
Net Assets	6,677,374	8,573,651
Equity		
Issued capital	18,092,756	19,701,756
Reserves	514,749	302,510
Accumulated losses	(11,930,131)	(11,430,615)
Total Equity	6,677,374	8,573,651

5. Consolidated Statement of Cash Flows

	Current Period 2013 \$	Previous Corresponding Period 2012 \$
Cash flows from operating activities		
Receipts from customers	314,700	57,737
Payments to suppliers and employees	(2,205,072)	(2,196,620)
Interest received	29,799	44,385
Goods & services tax (paid) / received from ATO	51,631	46,894
Other Income	93,329	53,100
Net cash used in operating activities	(1,715,613)	(1,994,504)
Cash flows from investing activities		
Purchase of property, plant and equipment	(60,277)	(41,547)
Patent expenditure	(22,525)	(78,470)
Website Development		
Due from other entities (deposit)	-	-
Loan to related entities	-	-
Cash acquired from acquisition of Alexium	-	-
Net cash flows from investing activities	(82,802)	(120,017)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	1,200,000
Payment of share issue costs	(6,000)	(133,814)
Convertible Notes	2,200,000	-
Costs of Convertible Note Raise	(157,326)	-
Payment for unmarketable parcel share buy-back	-	-
Net cash flows from financing activities	2,036,674	1,066,186
Net increase / (decrease) in cash held	238,259	(1,048,335)
Cash and cash equivalents at the beginning of the period	906,658	1,972,737
Effects of exchange rate changes on cash	18,314	(17,744)
Cash and cash equivalents at the end of the period	1,163,231	906,658

Consolidated Statement of Changes In Equity

	Issued Capital \$	Reserves \$	Consolidated Accumulated losses \$	Total \$
Balance at 1 July 2012	19,701,756	302,510	(11,430,615)	8,573,651
Loss for the year	(52)	-	(2,599,464)	(2,599,516)
Other comprehensive income for the year Foreign currency translation	-	76,959	-	76,959
Total comprehensive income for the year	-	76,959	-	76,959
Transactions with owners in their capacity as owners Issued capital, net of transaction costs	402,000	-	-	402,000
Capital reduction	-	-	-	-
Share based payment – capital raising costs	(6,000)	-	-	(6,000)
Performance Shares cancelled as performance milestones not met- transferred to accumulated losses	(2,099,948)	-	2,099,948	-
Convertible Note Equity	-	74,196	-	74,196
Options exercised	-	-	-	-
Share-based payments	95,000	61,084	-	156,084
Balance at 30 June 2013	18,092,756	514,749	(11,930,131)	6,677,374
Balance at 1 July 2011	18,516,070	163,414	(8,707,632)	9,971,852
Loss for the year	-	-	(2,722,983)	(2,722,983)
Other comprehensive income for the year Foreign currency translation	-	21,537	-	21,537
Total comprehensive income for the year	-	21,537	-	21,537
Transactions with owners in their capacity as owners Issued capital, net of transaction costs	1,066,186	-	-	1,066,186
Capital reduction	-	-	-	-
Share based payment – capital raising costs	-	-	-	-
Options exercised	-	-	-	-
Share-based payments	119,500	117,559	-	237,059
Balance at 30 June 2012	19,701,756	302,510	(11,430,615)	8,573,651

6. Dividends (in the case of a trust, distributions)

Date dividend is payable	N/A
+Record date to determine entitlements to the dividend	N/A
If it is a final dividend, has it been declared?	N/A

Amount per security

	Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
Final dividend: Current year	Nil	N/A	N/A
Interim dividend: Current year	Nil	N/A	N/A

Total dividend (distribution) per security (interim *plus* final)

	Current period	Previous Corresponding Period
Ordinary securities	N/A	N/A
Preference securities	N/A	N/A

7. Dividend or distribution plans in operation

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans	N/A
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8. Consolidated retained profits/accumulated losses

	Current Period 2013 \$	Previous Corresponding Period 2012 \$
Accumulated losses at the beginning of the financial period	(11,430,615)	(8,707,632)
Losses of prior years offset against capital	-	-
Write-off	-	-
Transfer from Performance Shares Capital to Accumulated Losses	2,099,948	
Net loss attributable to members	(2,599,464)	(2,722,983)
Accumulated losses at end of financial period	(11,930,131)	(11,430,615)

9. NTA backing

	Current Period 2013	Previous Corresponding Period 2012
Net tangible asset backing (deficiency) per ordinary share	(2.01 cents)	(1.26 cents)

10. Control gained over entities having material effect

Name of entity (or group of entities) N/A

Consolidated loss from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	N/A
Date from which such profit has been calculated	N/A
Loss from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

Name of entity (or group of entities) N/A

Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
Date to which the profit (loss) has been calculated	N/A
Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
Contribution to consolidated profit (loss) from ordinary activities from sale of interest leading to loss of control	N/A

11. Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$A	Previous corresponding period \$A
Equity accounted associates and joint venture entities				
N/A				
Total				
Other material interests				
N/A				
Total				

12. Significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

Contributed equity decreased by \$1,609,000 (from \$19,701,756 to \$18,092,756) as the result of the performance shares of \$2,100,000 being cancelled and \$402,000 of convertible notes being converted to shares less capital raising costs of \$6,000. There was also \$95,000 of share based payments issued.

As announced on 24 March 2011, Alexium signed a term sheet for an US\$8 million, 3 year equity line funding facility with Centurion Private Equity, LLCC, an institutional investor managed by Roswell Capital Partners, LCC based in Georgia, USA.

13. Foreign entities set of accounting standards used in compiling the report (IAS)

IFRS

14. Commentary on the results for the period

14.1 Earnings per security (EPS)

	Current Period 2013	Previous Corresponding Period 2012
Basic Loss per share (cents)	(1.74 cents)	(2.11 cents)

14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2013 \$	Previous Corresponding Period 2012 \$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
Total	-	-

The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

N/A

14.3 Significant features of operating performance

The Group's net loss attributable to members of the Company for the financial year ended 30 June 2013 was \$2,599,464 (2012: \$2,722,983).
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14.4 Segment Information

For management purposes, the Group is organised into one main operating segment which involves the development of a patented technology known as Ascalon and Nycolon. Alexium is the exclusive licensee of this particular patent and has applied for additional patents in its own capacity around the world. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

14.5 Report on trends in performance

None

14.6 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.

Commercial licensing of the technology commenced during the year with the license in North America with Duro Textiles LLC.

Any other information required to be disclosed to enable the reader to compare the information presented with equivalent information for previous periods. This must include information needed by an investor to make an informed assessment of the entity's activities and results.

N/A

15. Compliance statement

This report is based on accounts to which one of the following applies.
(Tick one)

- | | | | |
|-------------------------------------|--|--------------------------|---|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

16. If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

N/A

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

N/A



Sign here: Date: 30 August 2013
(Company Secretary)

Print name: Nicholas Clark