

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 2011

Previous corresponding period:

Year ended 30 June 2010

2. Results for announcement to the market

				\$A
2.1	Revenue from ordinary activities	up	63% to	151,312
2.2	Loss from ordinary activities for the period after tax attributable to members	down	49% to	(2,929,364)
2.3	Net loss for the period attributable to members	down	49% to	(2,929,364)
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 2011 was \$2,929,364 (2010: \$5,776,704). The higher loss in 2010 was a result of a share-based payment expense of \$746,195 and a deferred tax liability of \$3,465,442 arising from the business combination of the Alexium Limited acquisition which was capitalised and subsequently impaired as required under accounting standards. Expenditure is also higher in 2011 due to a full year operation with Alexium Inc.</p>			

3. Consolidated Statement of Comprehensive Income

	Current Period 2011 \$	Previous Corresponding Period 2010 \$
Revenues from continuing operations	72,034	50,923
Other Income	79,277	42,149
Cost of Goods Sold	(212,075)	(173,822)
Administrative Expenses	(855,398)	(810,803)
Employee benefits expense	(1,313,919)	(433,862)
Depreciation and Amortisation Expenses	(794,273)	(239,652)
Impairment	(24,694)	(3,465,442)
Share-Based Payments	(154,696)	(746,195)
Loss before income tax from continuing operations	(3,203,744)	(5,776,704)
Income tax (expense) / benefit	274,380	-
Loss after income tax expense from continuing operations	(2,929,364)	(5,776,704)
Attributable to:		
Members of the Parent Company	(2,929,364)	(5,776,704)
	(2,929,364)	(5,776,704)
Net exchange difference on translation of financial report of foreign controlled entity	(201,471)	(33,000)
Other comprehensive income	-	-
Total comprehensive income	(3,130,835)	(5,809,704)
Basic loss per share (cents per share)	(2.37)	(9.92)
Diluted loss per share (cents per share)	(2.37)	(9.92)

4. Statement of Financial Position

	Current Period 30 June 2011 \$	Previous Corresponding Period 30 June 2010 \$
Current Assets		
Cash and cash equivalents	1,972,737	3,303,043
Trade and other receivables	19,268	65,443
Other current assets	37,083	53,641
Total Current Assets	2,029,088	3,422,127
Non-Current Assets		
Other financial assets	3,868	4,786
Property, plant and equipment	343,237	140,322
Intangible assets	11,100,972	11,782,498
Total Non-Current Assets	11,448,077	11,927,606
Total Assets	13,477,165	15,349,733
Current Liabilities		
Trade and other payables	177,831	240,618
Provisions	10,690	4,132
Other – deferred income	62,865	13,850
Total Current Liabilities	251,386	258,600
Non-Current Liabilities		
Deferred tax liability	3,191,062	3,465,442
Other – deferred income	62,865	27,700
Total Current Liabilities	3,253,927	3,493,142
Total Liabilities	3,505,313	3,751,742
Net Assets	9,971,852	11,597,991
Equity		
Issued capital	18,516,070	17,197,558
Reserves	163,414	178,701
Accumulated losses	(8,707,632)	(5,778,268)
Total Equity	9,971,852	11,597,991

5. Consolidated Statement of Cash Flows

	Current Period 2011 \$	Previous Corresponding Period 2010 \$
Cash flows from operating activities		
Receipts from customers	50,329	-
Payments to suppliers and employees	(2,515,011)	(1,375,174)
Interest received	79,277	42,149
Goods & services tax (paid) / received from ATO	49,195	64,904
Net cash used in operating activities	(2,336,210)	(1,268,121)
Cash flows from investing activities		
Purchase of property, plant and equipment	(158,995)	(17,837)
Patent expenditure	(51,317)	(37,992)
Website Development	(22,760)	-
Due from other entities (deposit)	-	(995)
Loan to related entities	-	(363,445)
Cash acquired from acquisition of Alexium	-	370,917
Net cash flows from investing activities	(233,072)	(49,352)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	1,350,000	4,500,000
Payment of share issue costs	-	(398,123)
Payment for unmarketable parcel share buy-back	-	(108,315)
Net cash flows from financing activities	1,350,000	3,993,562
Net increase / (decrease) in cash held	(1,219,282)	2,676,089
Cash and cash equivalents at the beginning of the period	3,303,043	628,164
Effects of exchange rate changes on cash	(111,024)	(1,210)
Cash and cash equivalents at the end of the period	1,972,737	3,303,043

Consolidated Statement of Changes In Equity

	Issued Capital \$	Reserves \$	Consolidated Accumulated losses \$	Total \$
Balance at 1 July 2010	17,197,558	178,701	(5,778,268)	11,597,991
Loss for the year	-	-	(2,929,364)	(2,929,364)
Other comprehensive income for the year Foreign currency translation	-	(201,471)	-	(201,471)
Total comprehensive income for the year	-	(201,471)	-	(201,471)
Transactions with owners in their capacity as owners Issued capital, net of transaction costs	1,318,512	-	-	1,318,512
Capital reduction	-	-	-	-
Share based payment – capital raising costs	-	31,488	-	31,488
Options exercised	-	-	-	-
Share-based payments	-	154,696	-	154,696
Balance at 30 June 2011	18,516,070	163,414	(8,707,632)	9,971,852
Balance at 1 July 2009	65,222,622	700	(64,620,189)	603,133
Loss for the year	-	-	(5,776,704)	(5,776,704)
Other comprehensive income for the year Foreign currency translation	-	(33,000)	-	(33,000)
Total comprehensive income for the year	-	(33,000)	-	(33,000)
Transactions with owners in their capacity as owners Issued capital, net of transaction costs	16,728,521	-	-	16,728,521
Capital reduction	(64,618,625)	-	64,618,625	-
Share Buy-back	(134,960)	-	-	(134,960)
Dividends paid	-	-	-	-
Share-based payments	-	211,001	-	211,001
Balance at 30 June 2010	17,197,558	178,701	(5,778,268)	11,597,991

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
--	-----

8. Consolidated retained profits/accumulated losses

	Current Period 2011 \$	Previous Corresponding Period 2010 \$
Accumulated losses at the beginning of the financial period	(5,778,268)	(64,620,189)
Losses of prior years offset against capital	-	64,618,625
Write-off	-	(3,465,442)
Net loss attributable to members	(2,929,364)	(2,311,262)
Accumulated losses at end of financial period	(8,707,632)	(5,778,268)

9. NTA backing

	Current Period 2011	Previous Corresponding Period 2010
Net tangible asset backing (deficiency) per ordinary share	(0.91 cents)	(0.06 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 increased by \$1,318,512 (from \$17,197,558 to \$18,516,070) as the result of the share placement raising \$1,350,000 less capital raising costs of \$31,488.

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 2011	Previous Corresponding Period 2010
Basic Loss per share (cents)	(2.37 cents)	(9.92 cents)

14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2011 \$	Previous Corresponding Period 2010 \$
Ordinary securities	-	134,960
Preference securities	-	-
Other equity instruments	-	-
Total	-	134,960

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

<p>The Group's net loss attributable to members of the Company for the financial year ended 30 June 2011 was \$2,929,364 (2010: \$5,776,704). The higher loss in 2010 was a result of a share-based payment expense of \$746,195 and a deferred tax liability of \$3,465,442 arising from the business combination of the Alexium Limited acquisition which was impaired as required under accounting standards.</p>
--

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 "Reactive Surface Technology" (RST). 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.

N/A

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: 31 August 2011
(Company Secretary)

Print name: Nicholas Clark