

# Alexium International Group Ltd.

ISIN: AU000000AJX6

## Technology being further evaluated by prominent commercial partners and by the US Department of Defence

**Additional Testing and Product Improvements means timing of larger revenues currently uncertain**

Since our last report in July last year, we are reporting on the following corporate highlights:

- Alexium's military applications are still in the final phase of getting accepted to large-scale production. While the Company has partnered with industry leaders in the military contracting business and with prominent partners on the commercial side, timing is still uncertain.
- With new, third generation production line to be installed in Greer, Alexium will be able to triple their production capacity to treat textiles, ballistic fibers, leather, and other materials.
- In November 2010, Alexium has entered into a testing phase with SSM Industries to use the RST Technology for the treatment of commercial quantities of high performance textiles.
- In September 2010, Alexium received an order from the DoD for advanced protective textiles treated with RST to be tested by the US Special Forces.
- Commercial roll-out of the AJX Cleanshell textile treatment is in progress.
- Our previous forecasts were too optimistic regarding near-term cash-flows; we also did not anticipate an A\$ 3.5 Mill. impairment charge the Company had to book against 2010 earnings. This was a non-cash item affecting the Company's assets.
- We reduce our fair value from € 0.64 to € 0.40 but stay positive on the future development of the stock.

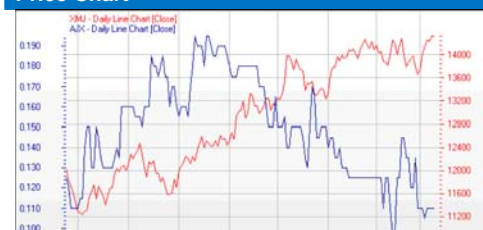
update 6M - 2010/11

Industrial / Materials - Australia

**Fair Value: A\$ 0.55 / €0.40**

Prior valuation: A\$ 0.92 / €0.64

### Price Chart



Alexium International Group Ltd. (blue) vs. S&P ASX 200 Materials Index: (red) Source: ASX

### Key data - A\$ / EURO (€)

Price	A\$ 0.120 / €0.10
Year Hi/Lo	A\$ 0.20 / 0.10
Market Cap. (m)	A\$ 14.0 / €9.5
Free Float (%)	29.3%
Reuters Code	AJX.AX
Bloomberg Code	AJX:AU

### Financials - A\$ - AAS

FY 30/06	10 (a)	11 (e)	12 (e)	13 (e)	14 (e)
Sales(m)	0.05	0.25	6.87	13.39	23.84
(prev.)	0.25	3.55	11.04	27.23	46.29
EBIT	-5.80	-2.01	4.90	10.05	18.90
(prev.)	-1.29	0.58	6.67	21.20	36.99
EPS	-0.10	-0.02	0.05	0.07	0.13
(prev.)	-0.01	0.01	0.05	0.15	0.26

### Valuation - AAS

FY 30/06	10(a)	11(e)	12(e)	13(e)	14(e)
MC/Sales	56.4	4.0	1.3	0.5	0.3
PE	n.a.	0.0	2.7	0.9	0.5

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## Corporate Synopsis

Alexium International Group Ltd. (Alexium) has a powerful platform technology on hand which was developed in laboratories of the U.S. Department of Defence (DoD). This technology can be employed on a wide range of materials, which can lead to the creation of products with enhanced performance or even completely new capabilities.

It is management's objective to commercialize the technology with applications for the textile, glass, rubber and paint industries.

In parallel to the commercialization process, Alexium is working with the U.S. Air Force to deliver a shell fabric suitable for CBRN (Chemical, Biological, Radiological, and Nuclear) suits. Alexium has a strong position to be considered for a relevant contract with the DoD. Such business would provide Alexium with a sufficient revenue stream and upside potential to cover initial expenses from the non-military, i.e. commercial product introductions.

Alexium is a young Company established in 2007. To speed-up the commercialization process of the technology, the Assets of Alexium were integrated in a merger agreement with an Australian Shell Company (ETW) already quoted on the ASX. After this merger ETW was renamed to Alexium International Group, Inc. in February 2010. Alexium has its main facility in South Carolina; the corporate office is located in Perth, Australia.

## Investment Considerations

Although the advanced RST technology is providing many product features and advantages vis-à-vis conventional technology, management might find it harder to break the ice with market leaders suitable to establish products with higher quality.

In other words, our expectations that we provided about Alexium's sales and profitability in our last report in July 2010 were too optimistic. We have reduced the top and bottom line results to reflect a more realistic picture of the corporate growth and development. By in large, we have reduced our previous forecasts by approx. 35% to account for the delayed expected growth.

We still do not underestimate the complexity of the commercialization process in a mature industry; Alexium has a strong leadership position

and relevant management capabilities to handle specific market entry situations relevant to the various market segments where the Company is planning to compete.

## **News and development Projects**

### **Production Size**

Alexium is planning a new, third generation production unit at Greer, South Carolina plant which will triple its current nanotechnology production facilities after it is fully commissioned by mid-February 2011. The new production line will be used to treat textiles, ballistic fibres, leather, filter media and other materials on a continuous processing line. The new facility, which has not yet been set up, will allow the Company to demonstrate various treatments for customers and build turn-key systems for licensees operating in a full-scale production environment.

## **Military Projects**

### **UIPE**

In September 2010, US military issued a pre-solicitation notice to establish a project called UIPE (Uniform Integrated Protection Ensemble Increment) for US Special forces.

Most recently, Alexium announced that the Company has teamed-up with Stedfast, Inc., a Canadian-based company and market leader in the development and Army-contracting business for protective materials utilizing multiple coating and laminated technologies for specialized high performance material.

The estimated revenues from the project are around \$125 Mill. for the complete consortium; timing of the first cash flows from this project can be considered in ca. 12 months. Considerable testing and evaluations has still to be performed by this highly promising technology and materials team.

We also see further upside potential in this partnership that the technology at hand may be exported to other countries with additional revenue potential.

The concept for the UIPE is envisioned as a single supplemental system that will provide individual protection capabilities to a war-fighter

while reducing physiological and psychological burdens associated with weight, bulk, thermal strain, and encumbrance of wearing chemical, biological, radiological, nuclear (CBRN) protective equipment.

### **JSLIST**

This project is designed to replace the current offering of the US military with the new CBRN suits. The ramifications of the project would lead to the “de facto” standard for many military organizations around the world (especially US allies). Natick and DTRA, the organizations which have been involved in the development of this JSLIST program had granted the initial funding of \$30 Mill. to Alexium’s RST Technology.

### **JFIRE**

Alexium along with a competing company have been shortlisted from 15 bidders for offering lightweight CBRN suits to provide military fire fighters with protection from chemical or toxic fire. Since the project is commissioned for military fire fighters exclusively our total sales projections are in a US\$ 5 Mill. range.

### **Partnership with an Indian Military textile Manufacturer**

Alexium with an Indian textile partner is planning to advance into the wide range of military textiles to offer to Indian and other Middle Eastern countries. Emphasis of the project is on technical textiles enhancing the offering of the Indian counterpart.

The difficulty of this project is Indian military’s practice how to handle such tenders to supply for their equipments. Oftentimes, such tenders are narrow in approach and as a consequence Alexium may find it difficult to fulfil the required specifications.

## **Commercial opportunities**

### **CASHMERE**

Alexium is currently in discussions with one of the largest retailers of Cashmere fabric. RST technology would be applied to the finished Cashmere to provide exceptional repellence. The venture is still in a testing phases at Greer, South Carolina. If the RST technology qualifies for all the testing phases, the Company would be able to treat

nearly 1,500 tonnes of cashmere annually. We will be monitoring the development of this attractive business opportunity closely.

### **Co-operation with SSM Industries**

Alexium has signed a commercial license option and an agreement to have access to SSM's production facilities under which SSM will be able to license Alexium's Reactive Surface Treatment (RST) technology.

Under this agreement SSM will be able to produce fabric which will be supplied to racing suit manufacturers e.g. NASCAR, IRL Drag racing, etc. The agreement also permits Alexium to use SSM's manufacturing facility for its own production purposes. Alexium will provide maintenance services for the unit, as well as technical support and training to personnel at SSM's facility.

### **Our assessment**

From a cash-flow point of view we consider all of Alexium's projects to be in an early stage of commercialization. Especially the commercial projects are still tentative in nature with sales not to be expected prior to successful test phases.

Alexium's military projects will have a higher probability to generate near-term earnings. Most of such projects are in the final stage of testing with a roll-out to be expected this year, hence generating revenues. We further believe that if any one of the US military projects are granted to Alexium, a further influx of future US military projects becomes more probable.

Such success stories will help Alexium's management to increase their bargaining position with their commercial partners.

## SWOT Analysis

### Strengths

- Relationship with DoD is a stable channel to source orders, and minimize corporate risks;
- Technology is developed, paid, and validated - no significant R&D burn in the future;
- Disruptive product characteristics;
- RST Platform technology is suitable for different high volume applications and industries;
- RST Technology has superior characteristics, i.e. with the RST procedure, properties of materials may be changed in a way conventional procedures are not able thus satisfying new markets:
- Low-cost development of the technology is possible via cooperative R&D agreement with DoD.

### Weakness

- No commercial distribution channels except for military applications, as of today;
- Little market power, except for superior technology
- High dependence on DoD;
- Early-stage Company has to compete with global players.

### Opportunities

- Once an industrial application is accepted, sales and profitability will increase exponentially;
- Several marketing options are possible to introduce the technology in the commercial marketplace;
- Partnering / Joint Venture deals are strategies to mitigate market access risk and capital requirements.

### Threats

- Disruptive RST Technology may provoke protectionist market mechanisms in the competitive arena;
- High barriers to enter the non-military market;
- Resourceful global players may infringe or go round patents relating to the RST technology;
- Commercialization process could show delays or take much longer than expected;
- Capital resources may prove to be “thin” in view of high barriers to enter the market for commercial applications.

## Update of our Valuation

We kept our valuation methodology regarding the peer group approach in parallel to a FCF based forecasting model.

The rationale of our peer group and the selection criteria are described in our report dated July 26<sup>th</sup> 2010.

## Peer Group valuation using trading multiples

We updated the prices and performance-based multiples of our peer group universe.

P/Es and EV/EBITDA still seem to be the best predictors to derive a fair value of Alexium's stock price.

Our peer group selection shows an EV/EBITDA Median of 9.0X and a P/E of 21.3X for the 2012 earnings forecasts.

Data as of Feb 15, 2011														
Peer Group	Currency	Ticker	Price	No. Shares		MCAP	EV	MCap/Sales		EV/EBITDA		P/E		
				(mill.)				11e	12e	11e	12e	11e	12e	
Obducat, Sweden	SEK	OBDU.SE	2,50	8,42	21,06	59,66	0,6	0,5	-6,0	11,9	NA	NA		
Cabot, Corp.	\$	CBT.US	44,20	65,37	2.889,35	3.209,35	1,0	1,0	7,6	6,8	20,8	15,3		
NANOPHASE Technologies	\$	NANX.US	1,58	21,20	33,50	29,60	3,7	3,4	-11,5	-28,2	-7,9	-31,6		
NVE Corp	\$	NVEC.US	61,77	4,77	294,40	293,00	10,5	8,6	15,5	11,9	21,8	20,9		
ItN Nanovation AG	€	I7N.DE	3,95	8,39	33,14	32,28	13,5	8,7	-64,6	14,7	-18,0	30,4		
Nanogate AG	€	N7G.DE	17,29	1,90	32,85	34,85	2,4	1,9	9,7	7,7	25,8	21,6		
AIXTRON AG	€	AFX.DE	30,07	101,07	3.039,20	2.739,20	4,3	4,4	11,5	9,0	24,9	22,3		
<b>Mean</b>									<b>5,1</b>	<b>4,1</b>	<b>-5,4</b>	<b>4,8</b>	<b>11,2</b>	<b>13,2</b>
<b>Median</b>									<b>3,7</b>	<b>3,4</b>	<b>7,6</b>	<b>9,0</b>	<b>21,3</b>	<b>21,3</b>
<b>Alexium Int'l Ltd.</b>	<b>A\$</b>	<b>AJX.AU</b>	<b>0,12</b>	<b>108,53</b>	<b>12,48</b>	<b>9,48</b>	<b>24,96</b>	<b>24,96</b>	<b>-5,24</b>	<b>1,8</b>	<b>-5,8</b>	<b>2,3</b>		
Fair value per Share using Mean									0,02	0,02	0,09	0,23	-0,22	0,66
Fair value per Share using Median									0,02	0,02	-0,13	0,43	-0,43	1,06
Deduction for thin market liquidity				30%										
Fair value per Share using Mean									0,02	0,01	0,06	0,16	-0,16	0,46
Fair value per Share using Median									0,01	0,01	-0,09	0,30	-0,30	0,74

Source: Bloomberg, I/B/E/S, Thomson Reuters

Setting Alexium's EV/EBITDA Multiple in 2012 of 1.8X into perspective to the peer group we receive a stock price of A\$ 0.43. The respective stock price is A\$ 1.06 when using the P/E (median) for 2012.

To account for Alexium's thin trading liquidity on the Exchange we suggest discounting the above values by 30%.



After discounting for liquidity the peer group comparison suggests fair values of **A\$ 0.30** using the **EV/EBITDA** ratio and **A\$ 0.74** when using **P/E (2012)**.

In light of Alexium's business model and growth perspectives we perceive both multiples appropriate for a valuation. Therefore, we consider a 50:50 approach to determine Alexium's Fair Value of the stock.

Value EV/EBITDA (2012)	A\$ 0.30 x 50%	=	A\$ 0.15
Value P/E (2012)	A\$ 0.74 x 50%	=	<u>A\$ 0.37</u>
<b>Fair Value per share - Peer Group Valuation:</b>			<b>A\$ <u>0.52</u></b>

### Valuation using a Free Cash-Flow model (FCF)

For our FCF analysis we maintain the 3-phase model as used in our basic report. The absolute amounts forecasted and the growth rates used are a function of Alexium's commercialization process to introduce this novel technology in the marketplace.

Though, Alexium has clear value driver, a unique technology, but we don't see the revenues increasing in the immediate future. We are expecting that Alexium would start establishing contracts with large textile manufacturers in the future but the revenues from the royalties are difficult to estimate.

We are taking a basic assumption that the deals with US DoD would take place in 2012 and we are assuming that the probability of the deals successfully happening is around 28%. The static growth rates we show in 2014 onwards should be understood as an imponderability pertaining to the accuracy to forecast such events.

in '000 A\$	11e	12e	13e	14e	15e	16e	17e	18e	19e	20e	2021+
	Base	1	2	3	4	5	6	7	8	9	Terminal
Revenue Growth Rate		2649%	95%	78%	50%	45%	35%	40%	25%	25%	1.0%
Revenues	250.0	6,871.5	13,390.0	23,847.0	35,770.6	51,867.3	70,020.9	98,029.2	122,536.6	153,170.7	154,702.4
EBIT Margin	-835.3%	71.2%	73.7%	78.3%	18.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
EBIT	-2,088.2	4,894.6	9,865.0	18,662.0	6,438.7	7,780.1	10,503.1	14,704.4	18,380.5	22,975.6	23,205.4
Taxes	0.0	0.0	2,513.8	4,725.5	1,609.7	1,945.0	2,625.8	3,676.1	4,595.1	5,743.9	5,801.3
Earnings before Interest	-2,088.2	4,894.6	7,351.3	13,936.5	4,829.0	5,835.1	7,877.3	11,028.3	13,785.4	17,231.7	17,404.0
+ Depreciation	275.7	300.0	450.0	600.0	268.3	389.0	525.2	735.2	919.0	1,148.8	1,160.3
- Capex	450.0	2,000.0	3,000.0	4,000.0	1,788.5	2,593.4	3,501.0	4,901.5	6,126.8	7,658.5	7,735.1
- Change in WC	250.0	-2,683.0	-1,572.6	-2,044.3	-2,044.3	-2,085.2	-2,126.9	-2,041.9	-1,960.2	-1,881.8	-1,806.5
= Free CF to Firm (FCFF)	-2,512.5	5,877.6	6,373.8	12,580.9	5,353.1	5,715.9	7,028.4	8,903.9	10,537.7	12,603.7	12,635.7
Terminal Value											84,700.9
<b>WACC Calculation</b>											
Tax rate (s)	0.0%	0.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Debt Ratio	0.00%	0.00%	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Beta	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Cost of Equity	17.02%	17.02%	17.02%	17.02%	17.02%	17.02%	17.02%	17.02%	17.02%	17.02%	17.02%
Cost of Debt	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
After tax cost of debt	8.00%	8.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Cost of Capital WACC	17.02%	17.02%	17.02%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%
<b>Present Value Calculation</b>											
Present Value of FCFF	-2,147.1	5,022.8	4,654.6	8,077.2	2,964.9	2,731.1	2,897.0	3,166.1	3,232.5	3,335.3	
Present Value of Terminal Value											22,414.5
<b>The Valuation</b>											
PV of FCFF (High growth phase)	33,934.3	60%									
+ PV of Terminal Value	22,414.5	40%									
= Value of operating assets of the firm	56,348.8										
+ Value of cash & non-operating assets	3,300.0										
= Value of firm	59,648.8										
- Value of outstanding debt and pensions	0.0										
= Value of Equity	59,648.8										
<b>Price per Share</b>	<b>0.55</b>	A\$									
A\$/EUR	1.377	<b>0.40</b> EURO									

Parameters used in FCF model	
Cost of Equity	12.0%
Cost of Debt	8.0%
Market Beta	1.50
Proxy MSCI Europe	
in Terminal Value	1.0
Risk-free rate	3.9%
30-year US Gov. Bond	
Risk premium	2.0%
WACC	15.9% - 17.0%
WACC - terminal Value (TV)	15.9%
Growth rate - used in terminal value	1.0%

According to our FCF calculation we see a corporate value for Alexium International Group amounting to A\$ 59,648,800 which reflects a price of A\$ 0.55 per share.

In our financial analysis we calculated with A\$ as the relevant currency. If necessary we converted Alexium's accounting currency A\$ at a FX-rate of 1.377 into EURO. On such basis the stock price derived with our FCF model may be translated to EURO 0.40 per share.

For our fair value calculation we restrict our pricing to the FCF valuation. The results derived from the peer group evaluation amounting to A\$ 0.52 should be regarded as a further indication.

## Appendix - Financials

### Profit / Loss Account & Forecasts

Fiscal Year 30/06 • AAS	10a	11e	12e	13e	14e	11e	12e	13e	14e	5Y ø
						y-o-y changes (%)				
Net Sales	0.00	250.00	6,871.50	13,390.00	23,847.05	0.00	---	94.86	78.10	356.91
Grants, upfront payments	50.90	250.00	1,000.00	1,000.00	1,000.00	391.16	300.00	0.00	0.00	110.53
<b>Total Sales</b>	<b>50.90</b>	<b>500.00</b>	<b>7,871.50</b>	<b>14,390.00</b>	<b>24,847.05</b>	<b>882.32</b>	<b>90.00</b>	<b>30.00</b>	<b>30.00</b>	<b>100.00</b>
Material Expenses	173.80	0.00	20.00	305.00	875.00	-100.00	0.00	---	186.89	49.79
<b>Gross Profit</b>	<b>-122.90</b>	<b>500.00</b>	<b>7,851.50</b>	<b>14,085.00</b>	<b>23,972.05</b>	<b>-506.83</b>	<b>---</b>	<b>79.39</b>	<b>70.20</b>	<b>263.28</b>
Other Operating Income	0.00	0.00	266.10	280.00	290.00	0.00	0.00	5.22	3.57	6.90
Personnel Expenses	1,180.10	1,380.10	1,850.70	2,850.00	3,500.00	16.95	34.10	54.00	22.81	31.23
Other Operating and R&D Expenses	810.80	932.42	1,072.28	1,200.00	1,500.00	15.00	15.00	11.91	25.00	16.63
<b>EBITDA</b>	<b>-2,113.80</b>	<b>-1,812.52</b>	<b>5,194.62</b>	<b>10,315.00</b>	<b>19,262.05</b>	<b>-14.25</b>	<b>-386.60</b>	<b>98.57</b>	<b>86.74</b>	<b>319.86</b>
Total Depreciation	239.60	275.70	300.00	450.00	600.00	15.07	8.81	50.00	33.33	25.80
<b>EBIT</b>	<b>-2,353.40</b>	<b>-2,088.22</b>	<b>4,894.62</b>	<b>9,865.00</b>	<b>18,662.05</b>	<b>-11.27</b>	<b>-334.39</b>	<b>101.55</b>	<b>89.17</b>	<b>307.52</b>
Interest Income	42.10	70.00	20.00	200.00	250.00	66.27	-71.43	900.00	25.00	56.10
Interest Expenses	0.00	0.00	5.00	10.00	10.00	0.00	0.00	100.00	0.00	0.00
Income from Particip. & Assoc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Expenses	33.00	0.00	0.00	0.00	0.00	-100.00	0.00	0.00	0.00	100.00
<b>Financial Result</b>	<b>9.10</b>	<b>70.00</b>	<b>15.00</b>	<b>190.00</b>	<b>240.00</b>	<b>669.23</b>	<b>-78.57</b>	<b>---</b>	<b>26.32</b>	<b>126.62</b>
<b>Income from Ord. Business</b>	<b>-2,344.30</b>	<b>-2,018.22</b>	<b>4,909.62</b>	<b>10,055.00</b>	<b>18,902.05</b>	<b>-13.91</b>	<b>-343.26</b>	<b>104.80</b>	<b>87.99</b>	<b>310.79</b>
Extraordinary Result (Inc.+Exp.-)	-3,465.40	0.00	0.00	0.00	0.00	-100.00	0.00	0.00	0.00	0.00
<b>EBT</b>	<b>-5,809.70</b>	<b>-2,018.22</b>	<b>4,909.62</b>	<b>10,055.00</b>	<b>18,902.05</b>	<b>-65.26</b>	<b>-343.26</b>	<b>104.80</b>	<b>87.99</b>	<b>310.79</b>
Taxes on Income	0.00	0.00	0.00	2,513.75	4,725.51	0.00	0.00	0.00	87.99	66.25
Other Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit / Loss</b>	<b>-5,809.70</b>	<b>-2,018.22</b>	<b>4,909.62</b>	<b>7,541.25</b>	<b>14,176.53</b>	<b>-65.26</b>	<b>-343.26</b>	<b>53.60</b>	<b>87.99</b>	<b>291.51</b>
Minorities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Adjusted Net Profit</b>	<b>-5,809.70</b>	<b>-2,018.22</b>	<b>4,909.62</b>	<b>7,541.25</b>	<b>14,176.53</b>	<b>-65.26</b>	<b>-343.26</b>	<b>53.60</b>	<b>87.99</b>	<b>291.51</b>
Amortisation of Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dep. on Tang. Assets & o. Op.Ass.	239.60	275.70	300.00	450.00	600.00	15.07	8.81	50.00	33.33	25.80
<b>EBITA</b>	<b>-2,353.40</b>	<b>-2,088.22</b>	<b>4,894.62</b>	<b>9,865.00</b>	<b>18,662.05</b>	<b>-11.27</b>	<b>-334.39</b>	<b>101.55</b>	<b>89.17</b>	<b>307.52</b>
Adj. No. of Shares in Mill.	58,215	108,000	108,000	108,000	108,000	85.5	0.0	0.0	0.0	16.7
<b>Adj. Net Profit/Share (EPS)</b>	<b>-0.10</b>	<b>-0.02</b>	<b>0.05</b>	<b>0.07</b>	<b>0.13</b>	<b>-81.3</b>	<b>-343.3</b>	<b>53.6</b>	<b>88.0</b>	<b>291.5</b>
<b>Adj. Net Profit/Share ex Goodwill</b>	<b>-0.10</b>	<b>-0.02</b>	<b>0.05</b>	<b>0.07</b>	<b>0.13</b>	<b>-81.3</b>	<b>-343.3</b>	<b>53.6</b>	<b>88.0</b>	<b>291.5</b>
<b>Adj. Cash Earnings (CE)/Share</b>	<b>-0.10</b>	<b>-0.02</b>	<b>0.05</b>	<b>0.07</b>	<b>0.14</b>	<b>-83.1</b>	<b>-399.0</b>	<b>53.4</b>	<b>84.9</b>	<b>303.9</b>

## Cash Flow Statement

Fiscal Year 30/06 • AAS	10a	11e	12e	13e	14e	11e	12e	13e	14e	5Y ø
						y-o-y changes (%)				
Adjusted Net Profit	-5,809.70	-2,018.22	4,909.62	7,541.25	14,176.53	-65.26	-343.26	53.60	87.99	-291.51
+ Depreciation & Amortisation	239.60	275.70	300.00	450.00	600.00	15.07	8.81	50.00	33.33	25.80
+ Chg. in long-term Provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>= Cash Earnings</b>	<b>-5,570.10</b>	<b>-1,742.52</b>	<b>5,209.62</b>	<b>7,991.25</b>	<b>14,776.53</b>	<b>-68.72</b>	<b>-398.97</b>	<b>53.39</b>	<b>84.91</b>	<b>303.92</b>
+ Minorities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Chg. in Net Working Capital	500.00	250.00	-2,683.01	-1,572.57	-2,044.34	-50.00	---	-41.39	30.00	35.00
<b>= Operating Cash Flow</b>	<b>-6,070.10</b>	<b>-1,992.52</b>	<b>7,892.63</b>	<b>9,563.82</b>	<b>16,820.88</b>	<b>-67.17</b>	<b>-496.11</b>	<b>21.17</b>	<b>75.88</b>	<b>303.62</b>
- Capex	431.00	450.00	2,000.00	3,000.00	4,000.00	4.41	344.44	50.00	33.33	74.54
<b>= Free Cash Flow</b>	<b>-6,501.10</b>	<b>-2,442.52</b>	<b>5,892.63</b>	<b>6,563.82</b>	<b>12,820.88</b>	<b>-62.43</b>	<b>-341.25</b>	<b>11.39</b>	<b>95.33</b>	<b>273.79</b>
- Net Other Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Dividends (Previous Year)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
+ Increase in Share Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Outflow from Share Buy Backs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
+ Bank Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>= Incr. in Cash (+)/Decr. in Cash (-)</b>	<b>-6,501.10</b>	<b>-2,442.52</b>	<b>5,892.63</b>	<b>6,563.82</b>	<b>12,820.88</b>	<b>-62.43</b>	<b>-341.25</b>	<b>11.39</b>	<b>95.33</b>	<b>273.79</b>

## Balance Sheet

Fiscal Year 30/06 • AAS	10a	11e	12e	13e	14e	11e	12e	13e	14e
<b>Assets</b>						<b>% of Balance Sheet Total</b>			
Tangible Assets	140.30	140.30	640.30	1,390.30	2,400.30	1.10	2.18	3.15	3.53
Other Assets	11,787.30	10,143.20	20,072.08	27,293.70	37,081.82	79.88	68.41	61.91	54.56
t/o Capitalized Goodwill	10,034.70	10,034.70	11,034.70	12,034.70	13,034.70	79.03	37.61	27.30	19.18
<b>Total Fixed Assets</b>	<b>11,927.60</b>	<b>10,283.50</b>	<b>20,712.38</b>	<b>28,684.00</b>	<b>39,482.12</b>	<b>80.99</b>	<b>70.59</b>	<b>65.07</b>	<b>58.09</b>
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	65.40	355.00	674.50	876.85	1,139.91	2.80	2.30	1.99	1.68
Total Liquid Funds	3,303.00	2,055.20	7,947.83	14,511.65	27,332.53	16.19	27.09	32.92	40.21
Other Current Assets	53.70	4.20	7.98	10.37	13.49	0.03	0.03	0.02	0.02
<b>Total Current Assets</b>	<b>3,422.10</b>	<b>2,414.40</b>	<b>8,630.31</b>	<b>15,398.87</b>	<b>28,485.92</b>	<b>19.01</b>	<b>29.41</b>	<b>34.93</b>	<b>41.91</b>
<b>Balance Sheet Total</b>	<b>15,349.70</b>	<b>12,697.90</b>	<b>29,342.70</b>	<b>44,082.90</b>	<b>67,968.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Liabilities</b>						<b>% of Balance Sheet Total</b>			
Subscribed Capital	17,197.60	17,197.60	17,197.60	17,197.60	17,197.60	135.44	58.61	39.01	25.30
Share Premium	178.70	178.70	178.70	178.70	178.70	1.41	0.61	0.41	0.26
Retained Earnings & Other Reserves	-5,778.30	-7,796.52	-2,886.90	4,654.35	18,830.88	-61.40	-9.84	10.56	27.71
<b>Shareholders Equity</b>	<b>11,598.00</b>	<b>9,579.78</b>	<b>14,489.40</b>	<b>22,030.65</b>	<b>36,207.18</b>	<b>75.44</b>	<b>49.38</b>	<b>49.98</b>	<b>53.27</b>
Minorities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Group Equity</b>	<b>11,598.00</b>	<b>9,579.78</b>	<b>14,489.40</b>	<b>22,030.65</b>	<b>36,207.18</b>	<b>75.44</b>	<b>49.38</b>	<b>49.98</b>	<b>53.27</b>
Provisions	3,469.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
t/o Pension Provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Liabilities	282.20	3,118.10	14,853.30	22,052.25	31,760.82	24.56	50.62	50.02	46.73
<b>Total Liabilities</b>	<b>3,751.70</b>	<b>3,118.10</b>	<b>14,853.30</b>	<b>22,052.25</b>	<b>31,760.82</b>	<b>24.56</b>	<b>50.62</b>	<b>50.02</b>	<b>46.73</b>
t/o Interest Bearing Liabilities	0.00	0.00	-250.00	-525.00	-1,332.50	0.00	-0.85	-1.19	-1.96
t/o Non Interest Bearing Liab. <1Y	282.20	3,118.10	5,924.39	7,701.71	10,012.22	24.56	20.19	17.47	14.73
<b>Balance Sheet Total</b>	<b>15,349.70</b>	<b>12,697.90</b>	<b>29,342.70</b>	<b>44,082.90</b>	<b>67,968.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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