

Alexium International Group Ltd.

ISIN: AU000000AJX6

Unique platform Technology - disruptive product characteristics -

- Highly innovative platform technology - invented, tested, and validated over several years by the US Department of Defence (DoD).
- R&D already expensed in excess of US\$ 30 Mill. (with DoD)
- Alexium has a high degree of freedom to operate. The License agreement covers a broad set of patents to protect the Reactive Surface Technology (RST).
- Production of engineering quantities showed high grade results; Alexium is now preparing for a commercial scale-up. First military order received in July 2010.
- Management has defined several industrial applications to partner, out-license, or self market the technology.

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.

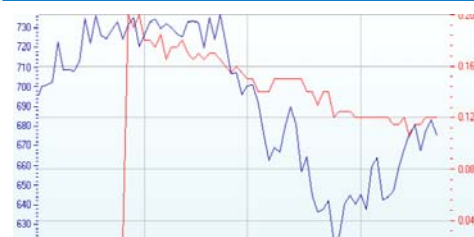
Initiation of Coverage

Industrial Technology - Australia

Fair Value: A\$ 0.92 / €0.64

No prior valuation

Price Chart



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

Key data - A\$ / EURO (€)

| | |
|-----------------|-------------------|
| Price | A\$ 0.135 / €0.11 |
| 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 (e) | 11 (e) | 12 (e) | 13 (e) | 14 (e) |
|----------|--------|--------|--------|--------|--------|
| Sales(m) | 0.25 | 3.55 | 11.04 | 27.23 | 46.29 |
| (prev.) | n.a. | n.a. | n.a. | n.a. | n.a. |
| EBIT | -1.29 | 0.58 | 6.67 | 21.20 | 36.99 |
| (prev.) | n.a. | n.a. | n.a. | n.a. | n.a. |
| EPS | -0.11 | 0.05 | 0.48 | 1.49 | 2.59 |
| (prev.) | n.a. | n.a. | n.a. | n.a. | n.a. |

Valuation - AAS

| FY 30/06 | 10(e) | 11(e) | 12(e) | 13(e) | 14(e) |
|----------|-------|-------|-------|-------|-------|
| MC/Sales | 56.4 | 4.0 | 1.3 | 0.5 | 0.3 |
| PE | n.a. | 2.6 | 0.3 | 0.1 | 0.0 |

Analyst

| | |
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Please take note of the disclaimer on the last page of this document.

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Investment Criteria

1. Highly innovative, disruptive technology with a fit to many industrial applications in billion dollar mass markets.
2. Alexium's technology with its superior product characteristics call for a commercial use:
 - Cost effective and scalable process
 - Multiple extraordinary functions with simultaneous attachments
 - Advanced technology vis-à-vis conventional treatment of material
 - Energy efficient process, hence environmentally friendly
3. We see many near-term revenue opportunities prior to Alexium's industrial break-through in several of the target industries, management has defined. Just recently, early in July 2010 Alexium reported first sales with the DoD to deliver textiles treated with the Company's patented Reactive Surface Treatment ("RST").
4. Alexium RST technology is ready for commercialization: The Company will not spend their resources on demanding R&D projects; the technology is tested and validated for several industry challenging applications. Alexium will feed the IP pipeline and offset the costs of further applied development to optimize potential products or for new applications by using government grants and commercial development agreements.
5. We perceive Alexium's military sales as a potential downward protection; this is a smart partnering agreement to cover the cost and preserve resources while the Company may concentrate their energy on commercialization efforts.
6. Each penetration into any one defined target industries will unleash a momentum of solid future growth and profitability.
7. The Cooperative Research & Development agreement that Alexium signed with the US Air Force underlines the value of the RST technology and provides the Company with sufficient freedom to operate.
8. While we do not underestimate the complexity of a commercialization process in a mature industry, Alexium has a strong leadership team and relevant management capabilities to handle such specific market entry situations.
9. The degree of the current undervaluation and the financial opportunity the Alexium stock shows can be found in Section "Valuation" on page 16 ff.

Business Model

Alexium is an emerging growth company. With a powerful, unique technology on hand, the Company is still in its early stage of corporate development just growing out of venture capital stage.

As a strong platform technology, Alexium's RST technology can be applied to a wide range of materials in different products and industries.

On its initial path to commercialize the technology it is management's strategy to work with licensing partners and to Joint Venture with industrial leaders.

Alexium's top line will primarily show licensing fees, upfront- and milestone payment in the near future.

While Alexium maintains its own production facility based in Greer South Carolina, the factory will be used to produce small volume/high value orders and to provide engineering quantities for samples and back-up material that is tested by industrial partners. The majority of Alexium's applications (high volume) will however, be licensed out, or be handled via contract manufacturing.

The Company has access to US Air force Labs, relating to the Collaborative Research and Development Agreement that is maintained to further development of the technology.

It is management's initial focus to offer applications using the RST technology in military urgent needs. Following the recent selection of the Alexium RST technology as a finalist for the Joint Fire-fighters Integrated Response Ensemble ("JFIRE"), the Company has received an order from the DoD for additional Cleanshell-treated fabric materials.

Initial non-military applications can be expected to occur with so called "First Responder" (Police, Fire Brigade, Emergency Management Organizations, etc.) furnishing them with RST treated textiles. We may also see Joint-Venture or licensing agreements with multinational companies grafting products in mass markets, which currently can only be achieved using Alexium RST technology.

For an overview of Alexium's product/marketing priorities see sections Technology (p. 9) and Products/Priorities of Market Introduction (p. 10).

Platform technology suitable for applications in many products and industries with high volume

Access to USAF labs for further development

First applications with military equipment

Corporate History and Background Information

Alexium was formed in May 2007 for the sole purpose of acquiring the global intellectual property rights to the RST. Mr. Stephen Ribich and Mr. John Almond have operated Alexium since its formation.

In June 2007 RAB Special Situations Fund Ltd. invested in Alexium. RAB is still a major shareholder of Alexium Group.

ETW Corporation, an Australian shell company (quoted on the ASX) bought Alexium Group, i.e. the RST Technology for ca. A\$ 10 Mill. plus

Young, privately held Company founded in 2007 was integrated in a shell company to obtain the status of public listed ASX Company. (Economic and fast technical process)

performance shares^{*)} worth ca. A\$ 10 Mill. in January 2010. The majority shareholders represented on the ETW's board resembled the Alexium Capital structure. The only reason to use ETW as the acquiring company was the public quotation of ETW which was renamed to Alexium right after the acquisition.

The described corporate actions (transactions) helped speed up the formal corporate structure of Alexium Group, to save time and resources and to work out of a publicly quoted company, immediately.

In parallel to the described corporate actions ETW/Alexium International Group Ltd. issued 7.500.000 shares A\$ 0.20 on the ASX. The Company received gross proceeds of A\$ 1.5 Million.

Prior to the offering in January 2010, ETW/Alexium completed a "sophisticated raising" to subscribe for 171,482,571 shares at an issue price of 1.75 cents per share to raise A\$ 3.0 Mill. (Gross).

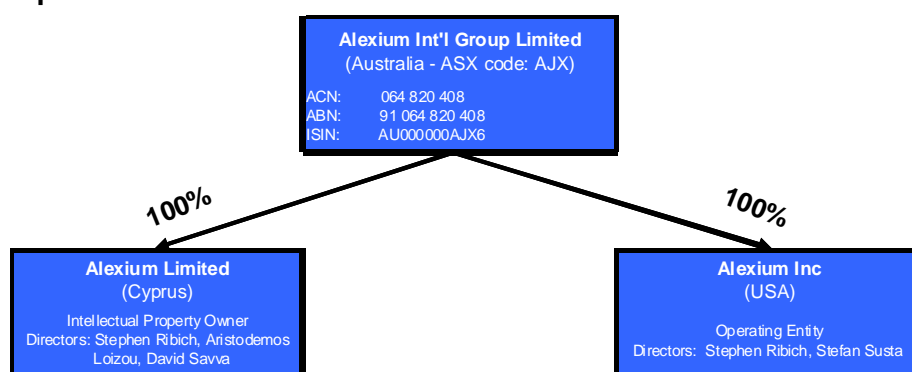
A\$ 4.5 Mill. were raised on the ASX in 01/2010

Regarding the corporate actions including the equity offering we recommend to read the prospectus dated January 28, 2010 filed with the Australian Stock Exchange, available on Alexium's web site.

Alexium maintains offices in Perth, Australia (registered office), in Greer, South Carolina, U.S.A., and in the U.K.

To commercialize the RST technology and to deal with the US DoD, Alexium requires a strong operating entity in the U.S. In July, Alexium established an operations facility in Greenville County, SC. The Company was highly welcomed by the Department of Commerce, SC. and the South Carolina Research Authority (SCRA). Alexium received credits on State-, Local property tax, corporate income tax, sales tax and job tax as well as rebates together with training incentives over 5 to 10 years for their commitment to the region. The new location is ideally situated for Alexium to pursue research (local university) and to employ technical experienced, educated personal.

Corporate Structure



Source: Alexium Int'l Group

^{*)} Subject to revenue or large commercial deal hurdles

Shareholder Information

| STOCKHOLDER | Shares | % |
|---|--------------------|---------------|
| KORCULA (BVI) SA | 18.344.143 | 16,90 |
| HSBC CUSTODY NOMINEES | 17.142.857 | 15,80 |
| PIPER BUCHANAN LIMITED | 14.513.000 | 13,37 |
| AYMON PACIFIC PTY LTD | 6.414.367 | 5,91 |
| OAKTONE NOMINEES PTY LTD | 4.290.000 | 3,95 |
| MR GAVIN JOHN REZOS & Family | 4.120.185 | 3,80 |
| BAMPTON NOMINEES | 1.260.000 | 1,16 |
| DILATO HOLDINGS PTY LTD | 1.250.000 | 1,15 |
| MEDICAL CORPORATION AUSTRALASIA LT | 1.103.899 | 1,02 |
| TOP 9 Holdings > 1% | 68.438.451 | 63,06 |
| Other Anchor Investors, < 1% (11 in sum) | 8.253.841 | 7,61 |
| TOTAL inst. Holdings | 76.692.292 | 70,67 |
| Free Float | 31.830.780 | 29,33 |
| Total number of shares outstanding | 108.523.072 | 100,00 |

Source: Share Registry (ASX), Computershare, June 2010

ca. 55% of AJX stock is held by Founders and Management. 2-year lock-up agreements arranged with ca. 40% of the capital

Alexium shares represented by institutional holdings, anchor investors, and management have been assigned with a lock-up agreement of 2 years except for 15.8% of the capital that is held with HSBC. This position is arranged with a lock-up of 1 year. The start-date of the lock-up obligations is March 2010. Circa 55% of Alexium's stock is owned by its management and board. Relevant reporting and announcements are filed with the ASX.

Corporate Management & Board

Alexium International Group has just passed venture stage. Therefore, corporate leadership is critical to meet the Company's objectives, i.e. to succeed in commercializing the Company's disruptive RST Technology in a highly competitive and professional marketplace.

Management capabilities will be the key element for the successful commercialization of this innovative, disruptive technology

Mr. Gavin Rezos - Chairman

Experience: Trained as a lawyer, Gavin Rezos has extensive experience as a senior solicitor and as an international banker (last position: Director Investment Banking, HSBC Group)

Mr. Rezos held executive directorships of companies in the technology sector in the UK, US and Singapore

Other Board Representation:

- Non Executive Director of Iluka Resources Limited (ASX top 100)
- Non Executive Chairman of ASX listed DSF Int'l Holdings Limited
- Principal of Viaticus Capital Pty Ltd., Perth

Education: B.Juris, LLB, BA (Intl Politics); several prominent Executive Development programs

Mr. Stephen Ribich - CEO
- Director Alexium, Inc. (U.S.A)

Experience: More than 10 years development of new technologies originating from US Government Laboratories with an emphasis on materials processing utilising microwaves

Education: B.Sc. Geology; M.A. International Trade and Investment Law

Mr. Ribich is driving Alexium's business in the U.S. He is responsible for Alexium's business in the U.S., and for the liaison with the DoD.

Mr. John Almond - Commercial Director

Experience: John Almond spent most of his career working in international banking roles in the U.K., CH, Saudi Arabia, and the Middle East. In his early career John Almond spent eight years in various international roles for a Fortune 500 diversified manufacturing group. Over much of his career his focus has been on identifying investment opportunities in emerging companies and new technologies.

Education: B.A. (hons.) in Economics and Economic History

Mr. Craig Smith-Gander - Independent Non-Executive Director

Experience: Craig Smith-Gander served as an officer in the Australian Professional Army. He worked in the Offshore Group at Clough Engineering Group and was appointed as the Group's first Risk Manager. He has extensive investment banking and corporate finance experience and is a former Director, Investment Banking at CIBC World Markets.

Other Board Representation:

Owner and Managing Director of Kwik Transport and Crane Hire Pty Ltd.

Education: B.A. Royal Military College, Duntroon

Mr. Stefan Susta - Non-Executive Director
- Director Alexium, Inc. (U.S.A)

Experience: More than 14 years commercialisation experience working with DoD; Director of Technology Transfer Programs, EMTEC; Operating officer for Alexium's US operations.

Education: B.A. Chem. Eng.; B.A. German; B.A. Chemistry; M.B.A.

Technology and Products

Technology / Patents

Alexium has the right to market a technology invented at laboratories of the US Air Force (Department of Defence). The first patent applied for in the US is owned by the US Air Force (Department of Defence) but Alex-

Exclusive marketing rights for RST Technology in the U.S.

ium is the exclusive licence in the US from the US Air Force. Alexium directly owns the rest of the world rights and also directly owns the first patent granted in the UK over the RST.

The technology may be described as “a method for attachment of silicon-containing compounds to a surface and for synthesis of hypervalent silicone-compounds” = Reactive Surface Treatment (RST) .This technology contains a broad family of patents all filed by the US Air Force.

Alexium has also entered into a Cooperative Research and Development Agreement (CRADA) with the USAF to use, i.e. commercialize and market the RST technology. Under the CRADA a new IP is owned by Alexium subject to a reasonable royalty to the US DoD.

While the obtained RST patent situation is strong, it may not be ruled out that a technology superior to Alexiums RST may be invented in the future. Also, there is no guarantee of a patent infringement by e.g. larger organizations like Dow Corning, EVOTEC AG Wacker AG, or other multinational special chemical companies who have resourceful research departments in the Silicon/Silane coupling and bonding space.

In addition, Alexium has filed patents in key territories globally (ex U.S.) on its own efforts. One regional patent has already been granted in the U.K.

For commercial use of the RST Technology, Alexium has to pay royalties to the US DoD: 2.5% on gross sales in the US payable to the DoD; and 5.0% on gross sales outside the US payable to Mr. Jeff Owens (inventor).

Properties of Alexium's RST

The 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. The Alexium RST technology can be of great interest to and is potentially disruptive for dozens of industries globally.

In addition to the enhanced material performance, the RST is based on an environmentally friendly process. By using microwave heating opposed to conventional heating, RST is notably energy efficient. Additionally, the chemistry used for this process employs biodegradable solvents and reagents, i.e. the compounds used are not hazardous to the environment. By-products generated by the RST process, if any, are not hazardous.

Silicon is the second most abundant element available on the earth. As such it is an essential constituent of many products in every day use, ranging from glass and concrete to computer chips and metal alloys. The second largest application of silicon is in the production of silicones, used either as bonding agents or to form polymers with useful properties such as impermeability to water, chemical resistance and flexibility.

The patented Alexium RST technology uses microwave energy to synthesise or bind silicon compounds to a wide range of surfaces and substrates. Supported by evidence from extensive testing by the DoD, the

Cooperative R&D agreements will support further developments

Alexium has filed own patents in key territories
→ UK patent is granted

RST Technology creates enhanced performance and new capabilities of materials

Breakthrough Technology using silicon coupling agents

company believes that the RST process represents a major breakthrough in the use of silicone coupling agents.

The RST process is extremely fast, scalable, uses very little power, resulting in a more stable graft, enhanced performance and low energy use. This often enables the treatment of materials, which are often not generally compatible with existing silicone chemistry. The RST technology is also very adaptable enabling multiple functions to be selected and simultaneously attached on a “mix and match” basis. The process is very “gentle” and can therefore be successfully applied to extremely delicate materials. Importantly, materials can be treated either in a batch or as in the case with textiles, on a continuous “reel to reel” basis, meaning the technology may be integrated into most manufacturing production lines. The DoD has invested over \$30 million in the development of the technology to date and is assisting Alexium with the preparation of the technology for commercial scale roll out.

Multiple Functions capable to be attached simultaneously

DoD has invested >\$ 30 Mill. in R&D

Overview of the RST Technology

| Product Features | Properties / Capabilities | Advantages vis-a-vis conventional tech. | Environmental advantages & sustainability |
|--|--|--|---|
| <ul style="list-style-type: none"> Give ordinary textiles extraordinary performance Machine washable Self extinguishing in a fire Super hydrophobic Super oleophobic Chemical & biological agent reactive Infra-red suppression Everything in a single process that is completed in seconds! | <ul style="list-style-type: none"> Ability to attach multiple functions simultaneously On to a wide range of materials including glass, rubber, leather, metal oxides, wood and plastic Process results in a strong “triple point” durable covalent bonding Functions exhibiting different Properties and performance characteristics compared with other attachment with other methods | <ul style="list-style-type: none"> Process is very fast (seconds) Treatment may be either a batch or continuous process Highly and easily scalable Suitable for delicate materials or functions such as enzymes or epoxides Low capital costs and small footprint | <ul style="list-style-type: none"> Minimal energy consumption with very little heat Efficient use of water and chemicals Environmentally friendly process <ul style="list-style-type: none"> - Microwave heating is more energy efficient than conventional heating - Process relies on biodegradable solvents - Minimal non-hazardous by-products, only |

Source: Alexium Int'l., RedHerring oHG

When presented at the National Association of Seed and Venture Funds in 2009, Alexium’s RST Technology received the award “World’s Best Technology 2009”.

Awarded “World’s Best Technology 2009”

A team of approximately 50 scientists at US Air Force Labs are still supporting the RST technology and working on new or further applications. RST is still at the centre of several US CBRN defence programs.

Under the Cooperative agreement which was signed between Alexium and the US Air Force, the Company still has access to this resourceful R&D environment. It may be regarded as Alexium’s extended workbench. For Alexium, the Cooperative agreement also secures a high degree of freedom to operate with the innovative RST Technology platform.

USAF labs act as an “extended workbench”

The Technology Alexium Group has on hand shows compelling features. There are many suitable applications and products to use this superior technology.

Products and Priorities of Market Introduction

Alexium could start introducing, i.e. commercializing the technology with many products and in many industrial segments from the outset.

To secure an immediate cash-flow and to conserve the corporate resources, management has detailed plans regarding product categories and industries as well as priorities as to how Alexium will be addressing the various markets.

Products for the Military Market

The association with the DoD will be delivering first revenues for Alexium. This is the most secure market for the Company. The US Army has started to furnish soldiers with a new generation of battle dress uniform (BDU) which aims to have the following properties:

- Waterproof
- Flame Resistant
- Built-in Insect Repellent
- Antimicrobial to protect injuries from infection
- Chemical and Biological agent protection
- Suppress odors
- Warmer in winter
- Cooler in Summer

Military applications minimize commercialization & marketing risk

Alexium, with its RST Technology, is a serious candidate to provide a solution to the DoD's stated requirements.

The first example is the CBRN suits. The RST technology appears very well placed to meet many of the DoD specifications for the CBRN suits for which Alexium is currently participating in a formal tender process.

CBRN suit will be the next application to be ramped

The second example is the Joint Fire Fighters Integrated Response Ensemble (JFIRE). Early in July, Alexium announced first sales to the DoD for textiles treated with RST for further testing by the DoD following Alexium being short listed as one of the final 3 companies for the JFIRE tender.

First military order received from DoD

Alexium will be supplying additional Cleanshell-treated fabric materials to the DoD. These multi-functional fabrics will be sewn into suits for field trials on human subjects with an additional evaluation at North Carolina State University for the DoD.

Separately, the company has received an order from the DoD for the supply of a range of Alexium treated multi-functional, woven and knitted fabrics for demonstration in the next generation Joint Service Lightweight Integrated Suit Technology (JSLIST) protection system.

JSLIST protection equipment using RST Technology in trials

Since 1993, JSLIST has consolidated the chemical and biological clothing protection requirements of the US Marines, US Navy, US Air Force and the US Army. The resulting performance standards have been adopted not only by the US armed forces but also by many other governments for both military and civilian applications. It is estimated that several million

'JSLIST type' suits are currently in service around the world with military personnel, law enforcement agencies and emergency first responders.

Products for the Commercial Market

The commercial market, with non-military applications, is the more challenging opportunity for Alexium. Management is aware that risks are higher - so are the barriers to entry.

Alexium has defined several key markets suitable for the RST technology to be on demand:

1. Commercial textiles, technical textiles, aramids, et al.
2. Filter Market
3. Paint Market

The RST process has been applied to materials for which no comparable surface treatment is now commercially available. Such unique applications offer strong opportunities for Alexium to quickly move into these markets.

ad 1: Commercial textiles and furnishings used in the Hotel and in the hospitality industry have to meet the requirement "flame retardant", the material should also be stain repellent. The RST technology is especially suitable to the cost sensitive hospitality industry. Changing the regular properties of such materials like furnishings and upholstery is an economic and effective solution.

ad 2: Filters used for industrial or automotive applications require high surface functionality. Water, oil, diesel, and air filters require a robust surface which can be achieved using RST technology.

ad 3: Alexium has defined the paint market with an opportunity to enter. Over the course of research performed on RST and related chemistries, a number of functionalized nano-particles were identified that can be incorporated into paints for enhanced performance. One potential application is to use these additives to provide low surface energy paint with a repellence similar to Teflon. Another application is to create antimicrobial paints by incorporating a specially treated additive. These properties are highly valued by this market, and are an excellent opportunity for developing Alexium's technology.

The (global) market for industrial paint is a) huge in size, and b) very demanding regarding product attributes.

All the applications/industries mentioned above should be understood as an initial approach to address suitable and high volume markets with relatively low barriers to entry.

Alexium explores commercial textiles, the filter-, and paint market for commercial market introductions

The following list represents further considerations regarding suitable industries to use the RST technology.

Industries and applications suitable for RST:

| INDUSTRY | APPLICATION | DRIVER | TESTED | COMMENTS |
|------------------|----------------------------|--------------------|--------|--|
| Textiles | Defence | Performance | YES | CBRN suits, tents, masks, filters, boots, etc. |
| | Furnishings / Upholstery | Performance / Cost | YES | Fire retardant treatment, stain and water repellence |
| | Footwear | Performance | YES | Oil and water repellence |
| | Specialist Apparel | Performance | YES | Work wear, first responders (police, fire) |
| Filters | Fuel / Oil | Performance / Cost | YES | Improved Integrity and Life |
| | Medical | Performance | NO | Blood / Oxygen |
| | Water | Performance / Cost | NO | Improved Filter membranes |
| Paints | Self-decontaminating | Performance | YES | Military and industrial applications |
| | Regenerating Antimicrobial | Performance | YES | Hospital and hygiene, longitudinal study |
| | Marine Antifouling/ballast | Performance / Cost | NO | the shipping industry, friction |
| | Anti Graffiti | Performance | NO | Low surface energy coating from RST |
| Packaging | Cellulose Packaging | Performance / Cost | NO | Grating or anti-counterfeit 'watermarking' applied to food packaging, pharmaceuticals, cosmetics, etc. |
| | Self Cleaning | Performance / Cost | YES | single and multiple functionality to glass |
| Glass | Self Cleaning | Performance / Cost | YES | single and multiple functionality to glass |
| Tyres | Production of Tyres | Cost | NO | Silane technology used in tyre production |

Source: Alexium Management

While the leadership team of Alexium considers all the product markets mentioned above as an opportunity for the Company, they are aware that the specifications of the markets vary from application to application and from industry to industry. It will not be possible for Alexium to address all such markets immediately. It will be a function of time, economic resources, and business model used to partner with the relevant market leaders that an entry position will be possible at all.

Some of the commercial markets might even reject the RST technology because of its disruptive nature. Management has to calculate with protectionist market mechanisms on the pathway to commercialize the technology.

Markets to be addressed will be selected carefully

Competitive Position & Relevant Market Size

1. Military Market (Defence Textiles)

The technology was developed by, paid for, and validated by the US Department of Defence. This unique proposition facilitates Alexium's marketing efforts and will probably provide a lead customer which is familiar and supportive of the technology and which is actively pursuing applications for unmet defence related needs.

Companies with a new technology developed externally face inevitable and expensive delays in obtaining the necessary approvals from within the DoD. Due to the providence of the RST technology, for Alexium these issues are not as significant. Moreover, the Company is now in a position to harvest the commercial benefits from a technology with most of the development costs absorbed by the DoD.

Alexium has a competitive advantage to supply DoD/military with RST Technology

All DoD research laboratories have a high reputation; such validation lends immediate credibility to Alexium's proposition with prospective commercial partners.

The DoD is one of the major customers for the US industry, having spent more than US\$ 600 Bn. p.a. in 2008.

Every Military Department - Army, Air Force, and Navy, including the Marine Corps is using CBRN equipment. According to a DoD study¹⁾ relevant CBRN equipment of the military forces combined showed the following inventory size in 2007:

Relevant US market is \$ 400 Mill.

| ITEM | Inventory | Acquisition | Budget p.a. |
|---------|------------|---------------|----------------------|
| | Size | cost per item | |
| Suits | 3.009.319 | ca. US\$ 200 | US\$ 190 Mill. |
| Masks | 1.797.458 | N/A | |
| Filters | 5.963.492 | N/A | |
| Gloves | 5.534.264 | ca. US\$ 20 | |
| Boots | 3.498.754 | ca. US\$ 120 | |
| Hoods | 1.861.860 | ca. US\$ 10 | |
| Tents | N/A | N/A | US\$ 138 Mill. |
| TOTAL: | 21.665.147 | | US\$ 400 Mill. (ca.) |

Source: DOD 2007 - Chemical & Biological Defence Program

The initial customers for Alexium are suppliers of uniforms, specialist equipment, tents, gloves, boots, etc to the US military. As of 2008, there were approximately 2.3 million personnel in the US armed forces (including reservists and the National Guard) providing Alexium with a very significant market opportunity.

With the United States being a significant military power, products, procedures and standards introduced by the DoD are often accepted by other individual nations as well as organisations such as NATO. This provides Alexium with further significant international defence related opportunities. The Company currently has considerable overseas interest from the UK, Australia, Scandinavia, and Italy.

NATO countries might easily adopt US specifications for CBRN equipment

¹⁾ Chemical & Biological Defence Program, DoD 2007

Although the initial DoD focus has been on textiles, it has been shown that RST technology can be equally used to change the surface characteristics and performance of paints and other coatings. The Alexium technology is currently undergoing field trials having being used to modify the paint used on military aircraft, tanks, and ships to provide new and enhanced protection against potential chemical contamination.

2. NON-Military Market (Commercial)

Commercializing the RST technology in non-military markets is the biggest challenge for Alexium's management.

As shown in the table on page 12 (industries suitable for RST) there are application for RST in mass markets.

While the military market asks for very high technical specifications, the challenges in commercial markets are related to cost savings models and additional product features for differentiation, the Alexium technology has to offer.

Management is in discussions with major chemical suppliers and formulators, capital equipment suppliers, and others in the supply chain to ensure technical and commercial compliance by future licensees.

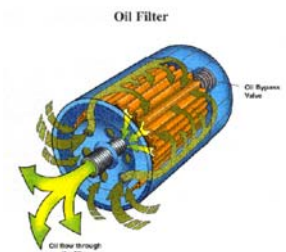
The Company is designing adequate licensing models, which it believes will capture not only the commercial benefits of additional functionality offered by the technology but also any cost savings, and environmental advantages that the technology may bring to manufacturers.

The market potential for the Alexium RST technology in non-military applications such as the filter market, or the upholstery and soft furnishing markets is huge and, due to the price sensitivity of the players involved is probably not too difficult to find a suitable partner.

The global filter market (water, oil, diesel, air) where management has a particular focus is estimated with a value of US\$ 45 Bn. and a growth rate of 5% p.a.

A more immediate industry, however, is the market for first responders (fire brigade, police, et al.) . This market is similar to the military market. With Alexium's credentials and experience from CBRN equipment used for military applications we can see a clear competitive advantage for the Company to get a foothold in this market segment. For the most part, the players in this market are identical to those active in the CBRN market.

Chemical suppliers might be most suitable partners to commercialize the technology



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 co-operative 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 longer than expected;
- Capital resources may prove to be “thin” in view of high barriers to enter the market for commercial applications.

Valuation

Our valuation is based on a peer group analysis/valuation and a model anticipating future cash-flows. We perceive the FCF model as more relevant for our valuation because of Alexium's corporate maturity and history having just passed venture stage.

We feel more comfortable predicting Alexium's future cash-flows than comparing the Company with other technologies that require different marketing strategies and resources for commercialization.

Peer Group Proposal

We selected the peer group to compare Alexium from a universe of listed technology companies in the U.S. and in Europe using the following criteria:

1. Leading technology or disruptive characteristic
2. Technology based on Nano-structures, coatings, or novel materials

Except for two peers exceeding a MCap of US\$ 1 Bn. (Cabot, Aixtron) we tried to include Companies of a similar size compared to Alexium. All the companies we looked at have reached the break-even point or will be reaching break-even in the current fiscal year.

While the peer group valuation to derive a market value for Alexium has minor significance, it is worthwhile to recognize the growth momentum possible with unique technologies.

The reason why we included some larger companies is to account for Alexium's competitive market arena and to bring them into perspective to similar technologies within Alexium's new capital market environment (Frankfurt SE).

Obducat AB - Nordic Growth Market (OBDU)

Obducat develops and sells lithography solutions for production and replication of advanced micro- and nanostructures for industrial mass production and for research and development. The Company's technology enables the development and cost efficient manufacturing of next generation consumer products such as cameras, hard disks for mobile phones, flat panel displays for TVs and next generation optical media format HD-DVD. The Company's customers are leading producers in the consumer-electronic business.

Obducat provides customers with viable and cost-effective lithography solutions that will give a competitive edge to the customers, enabling them to deliver break-through applications and achieve improved profitability and success.

Financial data 2009: Sales: SEK 51.6 Mill.; Gross margin: 51%; Net Profit: SEK -52.1 Mill.; EPS: SEK -0.13

Cabot Corp. - NYSE (CBT)

Cabot Corporation is a global performance materials company, headquartered in Boston, MA. Main products are rubber and specialty grade carbon blacks, inkjet colorants, etc.

Products are based on technical expertise and innovation in one or more of three core competencies: making and handling very fine particles; modifying the surfaces of very fine particles to alter their functionality; and designing particles to impart specific properties to a composite.

The Company focuses on creating particles with the composition, morphology, surface functionalities, and formulations to support existing and emerging applications to a global B2B customer base.

Cabot has earned a reputation for producing high quality materials with an unwavering respect for sustainability and safety.

Financial data 2009: Sales: US\$ 2.2 Bn.; Gross margin: 10%; Net Profit: US\$ -77 Mill.; EPS: US\$ -1.23

Nanophase Corp. - NASDAQ (NANX)

Nanophase develops, manufactures and sells an integrated family of nanomaterial technologies. Nanophase produces engineered nanomaterial products for use in a variety of markets including Animal Hygiene, Automotive, Electronics, Exterior Coatings, Hard Surfaces, Personal Care, Plastics, Textiles, and Architectural Windows.

As a leader in the field of nanomaterials technologies, Nanophase has evolved from a sole producer of nanoparticles into an integrator of commercially scaled nanomaterial technologies focused on market and customer applications. The Company has the capabilities to make, coat and disperse nano metal oxides and offers customers a 'solution' approach for applications. The integrated family of nanomaterial technologies forms Nanophase's core intellectual property and proprietary knowledge. Nanophase currently owns or licenses 18 United States patents and patent applications, and 48 foreign patents and patent applications.

Financial data 2009: Sales: US\$ 6.3 Mill.; Gross margin: 28%; Net Profit: US\$ -4.9 Mill.; EPS: US\$ -1.23

NVE Corp. - NASDAQ (NVEC)

NVE Corporation develops and sells devices using spintronics, a nanotechnology which utilizes electron spin rather than electron charge to acquire, store and transmit information.

The Company makes spintronics practical by manufacturing high-performance products including sensors and couplers that are used in industrial, scientific, and medical applications. In addition, NVE licenses

the spintronic magneto resistive random access memory technology, commonly known as MRAM.

Sensors acquire information, couplers transmit information, and memories store information. NVE's award-winning products are sold through a worldwide distribution network.

Financial data 2009: Sales: US\$ 23.3 Mill.; Gross margin: 70%; Net Profit: US\$ 9.8 Mill.; EPS: US\$ 2.04

Nanogate AG, FSE (Entry Standard) N7G

Nanogate has a unique platform technology with applications in the energy sector, in the field of air filtration, and optical systems. The technology offers a combination of chemistry and materials sciences which also incorporates product and process engineering.

The Multifunctional Surfaces treatment primarily comprises product refinement by means of generating functional surfaces to develop new properties. Nanogate Group concentrates primarily on the application areas of Buildings/Interiors, Automotive/Mechanical Engineering, Sport&Leisure and Functional Textiles. More than 200 solutions have already been mass-produced.

Financial data 2009: Sales: € 10.7 Mill.; Gross margin: 35%; Net Profit: € -1.0 Mill.; EPS: € -0.72

ItN Nanovation AG, FSE (Gen Standard) I7N

ItN Nanovation AG, a leading nanotechnology company is developing innovative ceramic products, such as filtration systems and coatings, for large industrial customers. The nanoscale powder required for such products is manufactured by the company itself.

The Company's filtration products can be used for drinking water purification, waste water treatment, as beverage filters and for the separation of oil and water. Ceramic coatings based on nanotechnology are used in a variety of ways as protective and catalytic coatings in various industries: from baking ovens to aluminum foundries to coal-fired power plants. ItN's success is based on an extensive product portfolio, combined with comprehensive development and application know-how.

Financial data 2009: Sales: € 4.5 Mill.; Gross margin: 50%; Net Profit: € -6.1 Mill.; EPS: € 0.70

AIXTRON AG - FSE (Prime Standard) AIXA

AIXTRON is a global technology leader manufacturing Metal Organic Chemical Vapor Deposition (MOCVD) equipment to the semiconductor industry. The Company's technology solutions are used by a diverse range of customers worldwide to build advanced components for electronic and opto-electronic applications based on compound, silicon, or organic semiconductor materials and more recently carbon nanostructures.

Such components are used in display technology, signal and lighting technology, fiber communication networks, wireless and cell telephony applications, optical and electronic data storage, computer technology as well as a wide range of other high-tech applications.

Financial data 2009: Sales: € 302.9 Mill.; Gross margin: 44%; Net Profit: € 44.8 Mill.; EPS: € 0.49

Peer Group valuation using trading multiples

To determine a fair value of Alexium's stock by comparing the Company to a relevant peer group we suggest using a combination of P/E and EV/EBITDA multiples for fiscal year 2012. We suggest using fiscal 2012 because of Alexium's momentum and prospects of growth.

Because of the high variance of the multiples within the peer group we have calculated a Median to filter the extreme values.

Our peer group selection shows an EV/EBITDA Median of 6.2X and a P/E of 11.4X.

| Data as of July 23, 2010 | | | | | | | | | | | | |
|-------------------------------------|------------|---------------|-------------|-------------------|--------------|--------------|--------------|-------------|--------------|------------|-------------|-------------|
| Peer Group | Currency | Ticker | Price | No. Shares (mil.) | MCAP | EV | MCap/Sales | | EV/EBITDA | | P/E | |
| | | | | | | | 11e | 12e | 11e | 12e | 11e | 12e |
| Obducat, Sweden | SEK | OBDU.SE | 8.45 | 8.42 | 71.19 | 109.79 | 0.5 | 0.5 | 22.0 | 4.4 | 10.6 | 3.5 |
| Cabot, Corp. | \$ | CBT.US | 27.00 | 65.37 | 1,764.88 | 2,084.88 | 70.3 | 63.0 | 6.0 | 5.0 | 14.8 | 13.2 |
| NANOPHASE Technologies | \$ | NANX.US | 1.28 | 21.20 | 27.14 | 23.24 | 0.0 | 0.0 | -9.0 | -22.1 | -4.6 | -10.2 |
| NVE Corp | \$ | NVEC.US | 43.80 | 4.70 | 205.90 | 204.50 | 0.6 | 0.6 | 8.4 | 7.2 | 11.0 | 9.2 |
| ItN Nanovation AG | € | I7N.DE | 6.13 | 8.39 | 51.39 | 50.53 | 2.8 | 2.7 | 10.8 | 6.2 | 17.2 | 11.4 |
| Nanogate AG | € | N7G.DE | 15.40 | 1.90 | 29.26 | 31.26 | 2.2 | 1.7 | 8.7 | 6.9 | 23.0 | 19.3 |
| AIXTRON AG | € | AFX.DE | 24.58 | 101.07 | 2,484.33 | 2,184.33 | 3.8 | 3.6 | 21.3 | 17.8 | 35.7 | 29.8 |
| Mean | | | | | | | 11.5 | 10.3 | 9.7 | 3.6 | 15.4 | 10.9 |
| Median | | | | | | | 2.2 | 1.7 | 8.7 | 6.2 | 14.8 | 11.4 |
| Alexium Int'l Ltd. | A\$ | AJX.AU | 0.14 | 108.53 | 14.65 | 11.65 | 58.60 | 4.13 | 18.20 | 1.7 | 2.7 | 0.3 |
| Fair value per Share using Mean | | | | | | | 0.03 | 0.34 | 0.06 | 0.23 | 0.77 | 5.23 |
| Fair value per Share using Median | | | | | | | 0.00 | 0.06 | 0.05 | 0.40 | 0.74 | 5.46 |
| Deduction for thin market liquidity | | | 30% | | | | | | | | | |
| Fair value per Share using Mean | | | | | | | 0.02 | 0.24 | 0.04 | 0.16 | 0.54 | 3.66 |
| Fair value per Share using Median | | | | | | | 0.00 | 0.04 | 0.04 | 0.28 | 0.52 | 3.82 |

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

Setting Alexium's EV/EBITDA Multiple in 2012 of 1.7X into perspective to the peer group we receive a stock price of A\$ 0.40. The respective stock price is A\$ 5.46 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 thin liquidity the peer group comparison suggests fair values of **A\$ 0.28** using the **EV/EBITDA** ratio and **A\$ 3.82** 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\$ 0.28 x 50% = A\$ 0.14
 Value P/E (2012) A\$ 3.82 x 50% = A\$ 1.91
Fair Value per share - Peer Group Valuation: A\$ 2.05

Even after deducting 30% of value due to low liquidity P/E valuation suggests a share price of A\$ 3.82

Valuation using a Free Cash-Flow model (FCF)

In our FCF analysis we apply a 3-phase model:

Phase I 2011 - 2014 (near-term planning horizon; reliable estimate)

Phase II 2015 - 2020 (long-term planning horizon; lower, monotone growth)

Phase III terminal value considering year 2021 for the business model to level-off (mathematical approximation)

Alexium has clear value drivers: A unique technology and relatively predictable sales prospects from military (DoD) sources that are just setting in. We are forecasting Royalty income generated via orders for CBRN suits starting in 2011. Our forecast accounts for non-military sales (upfront payments, milestones, and royalties) starting in 2013/14.

As soon as Alexium is working with an industry partner to commercialize the technology, our forecasting model will lag behind the realistic values. The timing for such partnering is difficult to estimate except that it might happen within the next 3 years. The static growth rates we show in 2014 onwards should be understood as an imponderability pertaining to the accuracy to forecast such events.

| 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% |

| 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 | | 295% | 161% | 73% | 50% | 45% | 35% | 40% | 25% | 25% | 1.0% |
| Revenues | 2,545.0 | 10,042.5 | 26,231.8 | 45,290.5 | 67,935.8 | 98,506.8 | 132,984.2 | 186,177.9 | 232,722.4 | 290,903.0 | 293,812.0 |
| EBIT Margin | 22.5% | 66.4% | 80.8% | 81.7% | 18.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| EBIT | 572.9 | 6,667.5 | 21,196.8 | 36,990.5 | 12,228.4 | 14,776.0 | 19,947.6 | 27,926.7 | 34,908.4 | 43,635.5 | 44,071.8 |
| Taxes | 0.0 | 1,714.4 | 5,359.2 | 9,320.1 | 3,057.1 | 3,694.0 | 4,986.9 | 6,981.7 | 8,727.1 | 10,908.9 | 11,018.0 |
| Earnings before Interest | 572.9 | 4,953.1 | 15,837.6 | 27,670.4 | 9,171.3 | 11,082.0 | 14,960.7 | 20,945.0 | 26,181.3 | 32,726.6 | 33,053.9 |
| + Depreciation | 67.5 | 300.0 | 450.0 | 600.0 | 509.5 | 738.8 | 997.4 | 1,396.3 | 1,745.4 | 2,181.8 | 2,203.6 |
| - Capex | 450.0 | 2,000.0 | 3,000.0 | 4,000.0 | 3,396.8 | 4,925.3 | 6,649.2 | 9,308.9 | 11,636.1 | 14,545.2 | 14,690.6 |
| - Change in WC | 250.0 | -523.2 | -697.8 | -821.5 | -821.5 | -837.9 | -854.7 | -820.5 | -787.7 | -756.2 | -725.9 |
| = Free CF to Firm (FCFF) | -59.6 | 3,776.3 | 13,985.4 | 25,091.9 | 7,105.5 | 7,733.4 | 10,163.6 | 13,852.9 | 17,078.2 | 21,119.4 | 21,292.8 |
| Terminal Value | | | | | | | | | | | 142,732.0 |
| WACC Calculation | | | | | | | | | | | |
| Tax rate (s) | 0.0% | 25.0% | 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% | 6.00% | 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% |
| Present Value Calculation | | | | | | | | | | | |
| Present Value of FCFF | | 3,227.0 | 10,213.0 | 16,109.4 | 3,935.4 | 3,695.0 | 4,189.3 | 4,925.9 | 5,238.9 | 5,588.9 | |
| Present Value of Terminal Value | | | | | | | | | | | 37,771.4 |
| The Valuation | | | | | | | | | | | |
| PV of FCFF (High growth phase) | 57,122.9 | 60% | | | | | | | | | |
| + PV of Terminal Value | 37,771.4 | 40% | | | | | | | | | |
| = Value of operating assets of the firm | 94,894.3 | | | | | | | | | | |
| + Value of cash & non-operating assets | 4,055.0 | | | | | | | | | | |
| = Value of firm | 98,949.3 | | | | | | | | | | |
| - Value of outstanding debt and pensions | 0.0 | | | | | | | | | | |
| = Value of Equity | 98,949.3 | | | | | | | | | | |
| Price per Share | 0.92 | A\$ | | | | | | | | | |
| A\$/EUR | 1.4375 | 0.64 EURO | | | | | | | | | |

In our FCF valuation model we took a conservative approach regarding

- a. the growth rates used and
- b. the absolute amounts forecasted

so that the financial data represents a fair picture of how Alexium will be growing its business and manage the commercialization process to introduce this novel technology in the marketplace.

The forecast of our revenue growth > 200% in 2012 and > 160% in 2013 is a function of our estimation that the DoD will be placing orders of larger quantities using the Alexium technology. In 2011 Alexium will still be receiving trial orders in engineering quantities.

According to our FCF calculation we see a corporate value for Alexium International Group amounting to A\$ 98,949,300 which reflects a price of A\$ 0.92 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 1.4375 into EURO. On such basis the stock price derived with our FCF model may be translated to EURO 0.64 per share.

For our fair value calculation we restrict our pricing to the FCF valuation. The results derived from the peer group evaluation (A\$ 2.05) should be regarded as an indication given the momentum Alexium's stock may obtain once the technology has superseded conventional manufacturing of textiles.

Appendix - Financials

Profit / Loss Account & Forecasts

| Fiscal Year 30/06 • AAS | 10e | 11e | 12e | 13e | 14e | 11e | 12e | 13e | 14e | 5Y ø |
|---|------------------|-----------------|------------------|------------------|------------------|-------------------|---------------|---------------|--------------|---------------|
| | | | | | | y-o-y changes (%) | | | | |
| Net Sales | 0.00 | 2,545.00 | 10,042.50 | 26,231.75 | 45,290.50 | 0.00 | 294.60 | 161.21 | 72.66 | 161.08 |
| Grants, upfront payments | 250.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 300.00 | 0.00 | 0.00 | 0.00 | 41.42 |
| Total Sales | 250.00 | 3,545.00 | 11,042.50 | 27,231.75 | 46,290.50 | --- | 211.50 | 146.61 | 69.99 | 268.88 |
| Material Expenses | 0.00 | 20.00 | 305.00 | 875.00 | 1,450.00 | 0.00 | --- | 186.89 | 65.71 | 316.98 |
| Gross Profit | 250.00 | 3,525.00 | 10,737.50 | 26,356.75 | 44,840.50 | --- | 204.61 | 145.46 | 70.13 | 265.96 |
| Other Operating Income | 0.00 | 266.10 | 280.00 | 290.00 | 250.00 | 0.00 | 5.22 | 3.57 | -13.79 | -2.06 |
| Personnel Expenses | 1,000.00 | 2,350.70 | 2,850.00 | 3,500.00 | 5,500.00 | 135.07 | 21.24 | 22.81 | 57.14 | 53.14 |
| Other Operating and R&D Expenses | 500.00 | 800.00 | 1,200.00 | 1,500.00 | 2,000.00 | 60.00 | 50.00 | 25.00 | 33.33 | 41.42 |
| EBITDA | -1,250.00 | 640.40 | 6,967.50 | 21,646.75 | 37,590.50 | -151.23 | 987.99 | 210.68 | 73.65 | 288.64 |
| Total Depreciation | 40.00 | 67.50 | 300.00 | 450.00 | 600.00 | 68.75 | 344.44 | 50.00 | 33.33 | 96.80 |
| EBIT | -1,290.00 | 572.90 | 6,667.50 | 21,196.75 | 36,990.50 | -144.41 | --- | 217.91 | 74.51 | 301.18 |
| Interest Income | 140.00 | 20.00 | 200.00 | 250.00 | 300.00 | -85.71 | 900.00 | 25.00 | 20.00 | 20.99 |
| Interest Expenses | 0.00 | 5.00 | 10.00 | 10.00 | 10.00 | 0.00 | 100.00 | 0.00 | 0.00 | 25.99 |
| Income from Particip. & Assoc. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| Other Financial Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| Financial Result | 140.00 | 15.00 | 190.00 | 240.00 | 290.00 | -89.29 | --- | 26.32 | 20.83 | 19.97 |
| Income from Ord. Business | -1,150.00 | 587.90 | 6,857.50 | 21,436.75 | 37,280.50 | -151.12 | --- | 212.60 | 73.91 | 298.77 |
| Extraordinary Result (Inc.+,Exp.-) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EBT | -1,150.00 | 587.90 | 6,857.50 | 21,436.75 | 37,280.50 | -151.12 | --- | 212.60 | 73.91 | 298.77 |
| Taxes on Income | 0.00 | 0.00 | 1,714.38 | 5,359.19 | 9,320.13 | 0.00 | 0.00 | 212.60 | 73.91 | N/A |
| Other Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Profit / Loss | -1,150.00 | 587.90 | 5,143.13 | 16,077.56 | 27,960.38 | -151.12 | 774.83 | 212.60 | 73.91 | 262.31 |
| Minorities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| Adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Adjusted Net Profit | -1,150.00 | 587.90 | 5,143.13 | 16,077.56 | 27,960.38 | -151.12 | 774.83 | 212.60 | 73.91 | 262.31 |
| Amortisation of Goodwill | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| Dep. on Tang. Assets & o. Op.Ass. | 40.00 | 67.50 | 300.00 | 450.00 | 600.00 | 68.75 | 344.44 | 50.00 | 33.33 | 96.80 |
| EBITA | -1,290.00 | 572.90 | 6,667.50 | 21,196.75 | 36,990.50 | -144.41 | --- | 217.91 | 74.51 | 301.18 |
| Adj. No. of Shares in Mill. | 10,800 | 10,800 | 10,800 | 10,800 | 10,800 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Adj. Net Profit/ Share (EPS) | -0.11 | 0.05 | 0.48 | 1.49 | 2.59 | -151.1 | 774.8 | 212.6 | 73.9 | 262.3 |
| Adj. Net Profit/ Share ex Goodwill | -0.11 | 0.05 | 0.48 | 1.49 | 2.59 | -151.1 | 774.8 | 212.6 | 73.9 | 262.3 |
| Adj. Cash Earnings (CE)/ Share | -0.10 | 0.06 | 0.50 | 1.53 | 2.64 | -159.0 | 730.5 | 203.6 | 72.8 | 251.9 |

Cash Flow Statement

| Fiscal Year 30/06 • AAS | 10e | 11e | 12e | 13e | 14e | 11e | 12e | 13e | 14e | 5Y ø |
|--|------------------|---------------|-----------------|------------------|------------------|-------------------|---------------|---------------|--------------|----------------|
| | | | | | | y-o-y changes (%) | | | | |
| Adjusted Net Profit | -1,150.00 | 587.90 | 5,143.13 | 16,077.56 | 27,960.38 | -151.12 | 774.83 | 212.60 | 73.91 | 262.31 |
| + Depreciation & Amortisation | 40.00 | 67.50 | 300.00 | 450.00 | 600.00 | 68.75 | 344.44 | 50.00 | 33.33 | 96.80 |
| + Chg. in long-term Provisions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| = Cash Earnings | -1,110.00 | 655.40 | 5,443.13 | 16,527.56 | 28,560.38 | -159.05 | 730.50 | 203.64 | 72.80 | 251.90 |
| + Minorities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| - Chg. in Net Working Capital | 500.00 | 250.00 | -523.16 | -697.80 | -821.49 | -50.00 | -309.27 | 33.38 | 17.72 | N/A |
| = Operating Cash Flow | -1,610.00 | 405.40 | 5,966.29 | 17,225.37 | 29,381.86 | -125.18 | -- | 188.71 | 70.57 | 316.93 |
| - Capex | 431.00 | 450.00 | 2,000.00 | 3,000.00 | 4,000.00 | 4.41 | 344.44 | 50.00 | 33.33 | 74.54 |
| = Free Cash Flow | -2,041.00 | -44.60 | 3,966.29 | 14,225.37 | 25,381.86 | -97.81 | -- | 258.66 | 78.43 | -928.70 |
| - Net Other Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| - Dividends (Previous Year) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| + Increase in Share Capital | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| - Outflow from Share Buy Backs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| + Bank Loans | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A |
| = Incr. in Cash (+)/Decr. in Cash (-) | -2,041.00 | -44.60 | 3,966.29 | 14,225.37 | 25,381.86 | -97.81 | -- | 258.66 | 78.43 | -928.70 |

Balance Sheet

| Fiscal Year 30/06 • AAS | 10e | 11e | 12e | 13e | 14e | 11e | 12e | 13e | 14e |
|------------------------------------|------------------|------------------|------------------|-------------------|-------------------|--------------------------|---------------|---------------|---------------|
| Assets | | | | | | % of Balance Sheet Total | | | |
| Tangible Assets | 74,40 | 274,40 | 774,40 | 1.524,40 | 2.534,40 | 2,12 | 1,89 | 1,41 | 1,28 |
| Other Assets | 10.034,70 | 10.261,20 | 33.163,13 | 83.583,12 | 144.480,64 | 79,24 | 80,73 | 77,31 | 73,22 |
| †/o Capitalized Goodwill | 10.034,70 | 10.034,70 | 11.034,70 | 12.034,70 | 13.034,70 | 77,49 | 26,86 | 11,13 | 6,61 |
| Total Fixed Assets | 10.109,10 | 10.535,60 | 33.937,53 | 85.107,52 | 147.015,04 | 81,36 | 82,62 | 78,72 | 74,50 |
| Inventories | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Accounts Receivable | 70,20 | 355,00 | 1.105,81 | 2.727,02 | 4.635,58 | 2,74 | 2,69 | 2,52 | 2,35 |
| Total Liquid Funds | 4.055,20 | 2.055,20 | 6.021,49 | 20.246,86 | 45.628,72 | 15,87 | 14,66 | 18,73 | 23,12 |
| Other Current Assets | 4,20 | 4,20 | 13,08 | 32,26 | 54,84 | 0,03 | 0,03 | 0,03 | 0,03 |
| Total Current Assets | 4.129,60 | 2.414,40 | 7.140,38 | 23.006,14 | 50.319,14 | 18,64 | 17,38 | 21,28 | 25,50 |
| Balance Sheet Total | 14.238,70 | 12.950,00 | 41.077,90 | 108.113,70 | 197.334,20 | 100,00 | 100,00 | 100,00 | 100,00 |
| Liabilities | | | | | | % of Balance Sheet Total | | | |
| Subscribed Capital | 15.231,40 | 15.231,40 | 15.231,40 | 15.231,40 | 15.231,40 | 117,62 | 37,08 | 14,09 | 7,72 |
| Share Premium | 209,70 | 209,70 | 209,70 | 209,70 | 209,70 | 1,62 | 0,51 | 0,19 | 0,11 |
| Retained Earnings & Other Reserves | -1.379,60 | -3.003,10 | 2.140,03 | 18.217,59 | 46.177,96 | -23,19 | 5,21 | 16,85 | 23,40 |
| Shareholders Equity | 14.061,50 | 12.438,00 | 17.581,13 | 33.658,69 | 61.619,06 | 96,05 | 42,80 | 31,13 | 31,23 |
| Minorities | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Group Equity | 14.061,50 | 12.438,00 | 17.581,13 | 33.658,69 | 61.619,06 | 96,05 | 42,80 | 31,13 | 31,23 |
| Provisions | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| †/o Pension Provisions | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Other Liabilities | 177,20 | 512,00 | 23.496,78 | 74.455,01 | 135.715,14 | 3,95 | 57,20 | 68,87 | 68,77 |
| Total Liabilities | 177,20 | 512,00 | 23.496,78 | 74.455,01 | 135.715,14 | 3,95 | 57,20 | 68,87 | 68,77 |
| †/o Interest Bearing Liabilities | 0,00 | 0,00 | -250,00 | -816,52 | -2.037,98 | 0,00 | -0,61 | -0,76 | -1,03 |
| †/o Non Interest Bearing Liab. <1Y | 177,20 | 512,00 | 1.594,85 | 3.933,05 | 6.685,68 | 3,95 | 3,88 | 3,64 | 3,39 |
| Balance Sheet Total | 14.238,70 | 12.950,00 | 41.077,90 | 108.113,70 | 197.334,20 | 100,00 | 100,00 | 100,00 | 100,00 |

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