

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 2010

Previous corresponding
period:

Year ended 30 June 2009

2. Results for announcement to the market

\$A

2.1	Revenue from ordinary activities	up	209.9%	to	93,072
2.2	Loss from ordinary activities for the period after tax attributable to members	up	584.4%	to	(2,060,877)
2.3	Net loss for the period attributable to members	up	584.4%	to	(2,060,877)
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:				
	An increase in activities as a result of the acquisition of Alexium Limited effective from settlement being 26 February 2010.				

3. Consolidated Statement of Comprehensive Income

	Current Period 2010 \$	Previous Corresponding Period 2009 \$
Revenues from continuing operations	50,923	30,027
Other Income	42,149	-
Cost of Goods Sold	(162,370)	-
Administrative Expenses	(804,037)	(179,183)
Employee benefits expense	(432,910)	(151,949)
Depreciation and Amortisation Expenses	(4,002)	-
Loans Forgiven	(4,435)	-
Share-Based Payments	(746,195)	-
Loss before income tax from continuing operations	(2,060,877)	(301,105)
Income tax (expense) / benefit	-	-
Loss after income tax expense from continuing operations	(2,060,877)	(301,105)
Attributable to:		
Members of the Parent Company	(2,060,877)	(301,105)
	(2,060,877)	(301,105)
Net exchange difference on translation of financial report of foreign controlled entity	(32,435)	-
Other comprehensive income	-	-
Total comprehensive income	(2,093,312)	(301,105)
Basic loss per share (cents per share)	(3.54)	(0.096)
Diluted loss per share (cents per share)	(3.54)	(0.096)

4. Statement of Financial Position

	Current Period 30 June 2010 \$	Previous Corresponding Period 30 June 2009 \$
Current Assets		
Cash and cash equivalents	3,303,043	628,164
Trade and other receivables	65,443	6,540
Other current assets	53,054	329
Total Current Assets	3,421,540	635,033
Non-Current Assets		
Other financial assets	4,786	-
Property, plant and equipment	98,772	-
Other non-current assets	11,551,473	-
Intangible assets	466,675	-
Total Non-Current Assets	12,121,706	-
Total Assets	15,543,246	635,033
Current Liabilities		
Payables	220,769	31,900
Reserves	2,397	-
Trade and other payables	4,133	-
Total Current Liabilities	227,299	31,900
Total Liabilities	227,299	31,900
Net Assets	15,315,947	603,133
Equity		
Issued capital	17,197,558	65,222,622
Reserves	179,266	700
Accumulated losses	(2,060,877)	(64,620,189)
Total Equity	15,315,947	603,133

5. Consolidated Statement of Cash Flows

	Current Period 2010 \$	Previous Corresponding Period 2009 \$
Cash flows from operating activities		
Receipts from customers	-	4,545
Payments to suppliers and employees	(1,359,544)	(431,305)
Rent Paid	(17,856)	-
Interest received	42,149	25,481
Patent Expenditure	(37,992)	-
Goods & services tax (paid) / received from ATO	64,904	-
Net cash used in operating activities	(1,308,339)	(404,279)
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,837)	-
Due from other entities (desposit)	569	-
Loan to related entities	(363,445)	-
Cash acquired from acquisition of Alexium	370,917	-
Net cash flows from investing activities	(9,796)	-
Cash flows from financing activities		
Proceeds from issue of ordinary shares	4,500,000	-
Payment of share issue costs	(398,123)	(80,634)
Payment for unmarketable parcel share buy-back	(108,315)	-
Net cash flows from financing activities	3,993,562	(80,634)
Net increase / (decrease) in cash held	2,675,427	(481,913)
Cash and cash equivalents at the beginning of the period	628,164	1,110,077
Effects of exchange rate changes on cash	(548)	-
Cash and cash equivalents at the end of the period	3,303,043	628,164

Consolidated Statement of Changes In Equity

	Issued Capital	Reserve	Consolidated Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2009	65,222,622	700	(64,620,189)	603,133
Loss for the year	-	-	(2,060,877)	(2,060,877)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners				
Issued capital, net of transaction costs	16,701,876	-	-	16,701,876
Capital reduction	(64,618,625)	-	64,618,625	-
Share buy-back	(108,315)	-	-	(108,315)
Options exercised	-	-	-	-
Share-based payments	-	211,001	-	211,001
Foreign currency translation	-	(32,435)	-	(32,435)
Write-off	-	-	1,564	1,564
Balance at 30 June 2010	17,197,558	179,266	(2,060,877)	15,315,947
Balance at 1 July 2008	65,222,622	700	(64,319,084)	904,237
Loss for the year	-	-	(301,105)	(301,105)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners				
Issued capital, net of transaction costs	-	-	-	-
Capital reduction	-	-	-	-
Dividends paid	-	-	-	-
Share-based payments	-	-	-	-
Balance at 30 June 2009	65,222,622	700	(64,620,189)	603,133

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

Date dividend is payable

+Record date to determine entitlements to the dividend

If it is a final dividend, has it been declared?

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

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

8. Consolidated retained profits/accumulated losses

	Current Period 2010 \$	Previous Corresponding Period 2009 \$
Accumulated losses at the beginning of the financial period	(64,620,189)	(64,319,089)
Losses of prior years offset against capital	64,618,625	-
Write-off	1,564	-
Net loss attributable to members	(2,060,877)	(301,105)
Accumulated losses at end of financial period	(2,060,877)	(64,620,189)

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9. NTA backing

	Current Period 2010	Previous Corresponding Period 2009
Net tangible asset backing (deficiency) per ordinary share	3.06 cents	0.019 cents

10. Control gained over entities having material effect

Name of entity (or group of entities)

Alexium Limited, Alexium Marketing Services Limited & Alexium Inc

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

(467,049)

Date from which such profit has been calculated

26 February 2010

Loss from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

Up to the date of acquisition the entity had carried forward losses of \$1.5 million resulting from expenditure spent on the development of its technology.

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

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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:

The company acquired Alexium Limited as approved by shareholders at a general meeting held 29 January 2010. The acquired entity holds the global intellectual property known as "Reactive Surface Technology". Consideration for the acquisition was the issue of securities for a deemed value of \$12.06 million.

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

IFRS

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14. Commentary on the results for the period

14.1 Earnings per security (EPS)

	Current Period 2010	Previous Corresponding Period 2009
Basic Loss per share (cents)	(3.54 cents)	(0.096 cents)

14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2010 \$	Previous Corresponding Period 2009 \$
Ordinary securities	108,315	-
Preference securities	-	-
Other equity instruments	-	-
Total	108,315	-

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

For the financial year ending 30 June 2010 the consolidated loss of the group after providing for income tax amounted to \$2,060,877 (2009: Loss of \$301,105). An increase in activities is the result of the acquisition of Alexium Limited effective 26 February 2010.

14.4 Segment Information

The company operates in one business segment being the development of a patented technology known as "Reactive Surface Technology". Alexium is the exclusive licensee of this patent and has applied for additional patents in its own capacity around the world.

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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 2010
(Company Secretary)

Print name: Nadine Donovan

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