

Announcements

President Obama Announces Institute for Manufacturing Innovation in Revolutionary Fibers and Textiles

Alexium Negotiates Exclusive Agreement with Leading U.S. Outdoor Fabric Manufacturer

Alexium Research Report from Foster Stockbroking

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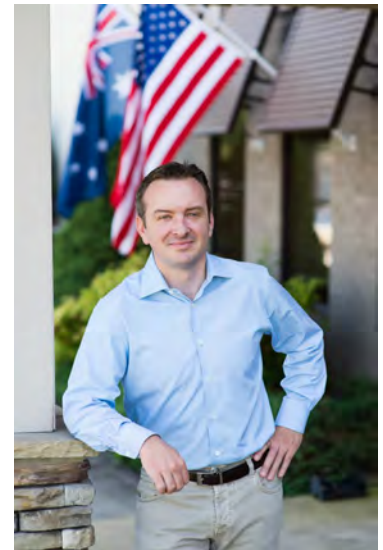
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Message from the CEO

March ended with a very successful road show and investor presentation in Australia, and I want to thank everyone who attended the seminar in Adelaide last week. We have started the process of listing on the NYSE and will be busy with that through the spring. I also will be setting up more institutional investor meetings in New York, and there will be an increase in meetings in D.C. I have been working with our lobbyists, and they have drafted legislation that is the most specific so far when it comes to Alexium chemistry and environmentally-friendly flame retardants. Also, there has been some interesting legislation and papers that have come from the Army and Congress regarding flame retardancy. We are in the process of understanding what they mean and how positive of an impact it is to Alexium, and I will be sure to keep the market informed as we qualify the information in more detail. Congress has recessed for spring break, but that work will recommence in April.

We are also interviewing candidates for three positions in the company: two positions in sales and a senior member of the applications team. 2015 will continue to put pressure on the sales team due to the increased demand for our chemistry, and so it is important to increase its staff to meet current and future client requests. Also, with the increase in projects the applications team must coordinate, we are looking for a senior member to take on a project management role. The first quarter of 2015 saw many customer inquiries and several new commercial accounts, and we anticipate this quarter to be even more promising.



Operations Updates

Although the textile industry in the United States and Europe remains incredibly robust, over the last 25 years it has seen a significant contraction due to a shift to China and the third world due to low labor costs. Regardless of the wisdom of the strategy, the typical textile company, with very few exceptions, has weathered the difficult economic climate of the last 25 years by scaling back or eliminating research and development efforts. Our last 6-9 months of aggressive sales effort and engagement within the FR textile community has clearly shown this gulf in technical capability and opened up an exciting new element to the Alexium business plan – ready-to-use FR solutions and world-class customer service.

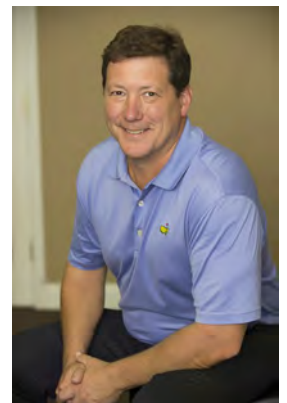
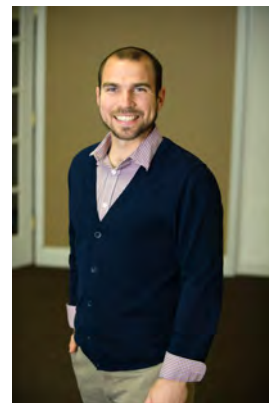


While there is no question that Alexium's Alexiflam™ product line provides environmentally-friendly FR performance at a level available nowhere else in the industry, the simple reality is that many of our potential customers, due to necessary cutbacks in staff over the last 25 years, no longer have the time, resources or skillset to implement them. We are hearing this over and over again in the market place – the industry doesn't need a catalog, they need a solution that works that they can simply use. This is where Alexium separates ourselves from virtually anyone else in the industry. With our combination of molecular design, formulation expertise and deep textile industry experience, Alexium can leverage our completely unique chemistries into something our customer base truly needs... a solution that works for them, in their facility, at the price point they need.

Virtually every company we talk to has flame retardant needs – Alexium is a rare chemistry partner that can provide virtually any solution.

Sales Updates: Techtexil & Expanding the Sales Team

The sales team has been preparing for the Techtexil show in Frankfurt, Germany, in the beginning of May. This is the world's largest textile show with over 30,000 attendees from all across the globe. Alexium will be introducing our new Alexiflam-SYN chemistry to the market, and we hope to attract many new leads as well as talk to existing customers in our European network.



Sales Updates Continued

During the month of March, Alexium has been contacted by three different companies regarding FR treatments. These companies found us through media coverage and our website, and we have begun the development cycle with these customers and are excited about finalizing the next steps with each of them.

Alexium has also sent out next-round validation for our treatment for wool-based fabrics and has been sampling chemistry to four different customers. This environmentally-friendly solution offers superior FR protection while not sacrificing cost or ecological responsibility, a combination not found in other FR treatments.

Lastly, we are looking to expand the sales team to help us manage our current opportunities as well as attend industry events and tradeshow to engage new customers. 2015 has started off with several new customer accounts, and we hope to continue that trend in the next quarter.

The Commercialization of Alexiflam-NF

For the past six weeks, the R&D group at Alexium has been extremely busy as we prepare for the commercialization of our new product Alexiflam NF. Alexiflam NF is a new organophosphorus compound synthesized by Alexium that has a number of notable properties:

- High percentage of phosphorus
- Reactive groups for wash durability
- Environmentally-friendly product and proprietary manufacturing process



Alexium initially targeted this product for the flame retardation of wool-based fabrics, but we have begun seeing a broader range of potential applications. I look forward to discussing these further as this work evolves.

At this time, the primary focus for much of the R&D group is preparing for the scale up of Alexiflam NF for production. As one would imagine, this is detail-rich work and fortunately everything is nearly complete. One major effort over the past six weeks has been installing new equipment to develop quality control methods for Alexiflam NF. Improving our analytical capabilities was critical to moving this product forward. I'm glad to say our work on this is nearly complete and closely following our schedule. The other major effort is transitioning this process to our manufacturing partner for this product. Luckily, the R&D group has strong chemists that work with me and help share this burden.

The Commercialization of Alexiflam-NF Continued

At times, research can seem plodding due to the nature of the work; advances move on the scale of weeks and months, not hours and days. However, bringing a new product to the market is very exciting. This opens up new opportunities for Alexium and allows us to move into markets that we previously could not. With a productive Spring, I look forward to seeing this unfold with Alexiflam NF.

Introducing Benjamin Butterfield

Benjamin Butterfield is our newest research and development chemist. Ben received his bachelor's degree in Chemistry and master's degree in Biological Chemistry from the University of Bath, England. He worked in the pharmaceutical industry before transitioning over to the specialty chemicals industry where he has lead teams through discovery, development and scale up of novel chemical products. At Alexium he is now managing projects for the development of new flame retardant products with a focus on transitioning from lab to manufacturing scale.



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