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**GLOBAL EXPANSION, NEW SECTOR ADVANCE ALEXIUM YEAR-END GOALS**

**Expansion of Sales of Alexicool™ Internationally**

**New Customers in Adhesives Market**

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**Highlights:**

- **New sales contracts for Alexicool™ for the Asian, Middle Eastern and European markets.**
- **Customers sourced by distribution partner iTextiles represent annual revenue for Alexium of more than US\$1.7 million in calendar year 2016.**
- **Additional large scale orders from new customers in the US\$42.5 billion adhesives industry**

**Perth, Australia and Greer, South Carolina: Alexium International Group Limited (“Alexium,” “the Company”) (ASX:AJX, OTC QX:AXXIY)** today announced new business developments with the sales of Alexicool™ for international markets and entry into the globally important adhesives sector with sales of multiple containers of Alexium’s award-winning, environmentally friendly fire retardant (FR) chemistry.

“We are pleased to announce the global expansion of Alexicool™ and our success in the adhesives market which is an annual US\$42.5 billion market,” said Dirk Van Hyning, President. “We are on track for expected ramp-up of revenues for the second half of calendar year 2016, after having added significantly to our inventories in the first half of 2016.”

**Global Market Expansion for Alexicool™**

Alexium has received a multi-tonnage order for specialty flame retardant chemicals from iTextiles, Alexium’s distribution partner for Asia, Middle East and Europe. New customers referred by iTextiles represent annual revenue of \$1.7 million in this calendar year.

The order is for the Asian market, and includes Alexicool™, Alexium's phase change material, and a specialty FR formulation of Alexiflam for treatment of semi-durable cotton fabrics. New customers are in the workwear, tenting, and transportation sectors.

"iTextile's presence in Pakistan, a major hub for international textile manufacturers, represents a significant avenue for our growth strategy in the Middle Eastern and European regions," said Michael Schwartz, Vice President of Sales.

### **Expansion into the Globally Important Adhesives Market**

Alexium has received orders for multiple containers of chemistry from two well-established companies that manufacture adhesives and coatings. The new customers are based in the U.S. and develop, manufacture, and distribute adhesive products around the world.

Applications for adhesives are numerous and varied and include camping gear, footwear, and home furnishings. The total annual market for adhesives and sealants is estimated at \$42.5 billion globally, with an annual growth rate of 3.2%, according to a recent report from the Adhesive and Sealant Council.

"Building share in the adhesives market has been a key component of Alexium's growth strategy," said Schwartz. "Innovation and high performance are key to manufacturers of adhesives, and that matches up very well with our environmentally friendly and performance enhancing FR technologies."

In the adhesives industry, flame retardants (FR) are used to resist burning, minimize the smoke produced, and protect joint integrity at high temperatures. There is a fast growing movement in this industry, as in others, to move away from outdated flame retardants that are now being phased out or banned and employ safer, environmentally friendly FR.

"The success of Alexicool™ and expansion into the globally important adhesives market comes after our significant investment in FR inventories and expansion of our toll chemical manufacturers and production capacity in the first half of 2016 to meet the expected rapid ramp-up of customer orders in the second half as the sales process gathers pace," said Nicholas Clark, CEO and Executive Director. "We are well capitalized and remain on track for our forecasted year-end revenues."

**U.S. Contacts:**

Nicholas (Nick) Clark  
Chief Executive Officer  
[nclark@alexiuminternational.com](mailto:nclark@alexiuminternational.com)

Melissa P. Kelly  
Vice President, Corporate Communications  
[mkelly@alexiuminternational.com](mailto:mkelly@alexiuminternational.com)  
U.S.: +1 864.603.1165 x303

**U.S. Corporate Offices:**

148 Milestone Way  
Greenville, SC 29615  
U.S.: +1 864.603.1165

1100 New York Avenue  
Suite 710W  
Washington DC 20001

**U.S. R&D Center:**

8 Distribution Court  
Greer, SC 29650  
U.S.: 864.416.1060

**AB: 91 064 820 408**

**ASX: AJX**

**About Alexium**

Alexium International Group Limited (ASX: AJX, AX:AJX OTC QX: AXXIY) holds proprietary patent applications for a process developed initially by the U.S. Department of Defense, which allows for the surface modification and attachment of nano-particles or multiple chemical functional groups to surfaces or substrates to provide functions such as fire retardancy, water proofing, oil proofing, and anti-microbial treatments. Applications under development include but are not limited to textiles, paints, and packaging, glass and building materials. Alexium's fire retardant chemical treatments are currently marketed for different fabric markets under the Alexiflam™, Ascalon™, Nycolon™, Nuvalon™, and Polytron™, Omnitron™, Bactron™ and Alexicool™ trademarks. For additional information about Alexium, please visit [www.alexiuminternational.com](http://www.alexiuminternational.com).